

ST NEOTS TOWN COUNCIL

**MINUTES OF THE MEETING
OF THE AUDIT COMMITTEE
HELD 29th JUNE 2009**

Present: Cllr B Chapman - Chairman
Cllr P Ursell
Cllr K Cooper
Cllr J Cooper-Marsh

1. Apologies for absence

No apologies were received

2. Declarations of Interest

There were no declarations of interest.

3. Minutes

The Committee received and noted the minutes of the previous meeting held on 22 April 2009, which had already been approved at the previous full Council meeting.

4. Internal Audit

The Committee received a report from David Harwood from Huntingdonshire District Council who undertakes the Internal Audit. Internal Audit is an assurance service that has the primary aim of providing an independent and objective opinion to the Council on the overall adequacy of its control environment. It would objectively examine, evaluate and report on the effectiveness of the control environment to ensure the correct balance between propriety and cost effectiveness in achieving the council's objectives.

The Audit review predominantly reviewed financial systems. Four key areas were therefore commissioned and completed in March through to May; these are The Main Accounting Systems, Budgetary Control, Payroll and Creditors.

The Responsible Finance Officer gave her assurance that 95% of the Internal Auditor's highlighted risks had been actioned and procedures are in place. An Accounts Manual is in place, listing all the duties within the Finance Department and the procedures to be followed.

The Opinion from the District Council's Audit Manager is, based on taking account of the risks identified and their relative importance, that the systems of internal control within the four areas audited during

March through May 2009 provide limited assurance that the key risks are being effectively managed.

It should also be noted that any system of internal control can only provide reasonable, rather than absolute, assurances that assets are safeguarded, transactions are authorised and properly recorded and material error or irregularities are either prevented or would be detected within a reasonable period.

Resolved that members note the report.

5. 2008/09 Accounts

The Responsible Finance Officer gave a verbal overview of 2008/09 accounts on the performance versus budget against the cost centres. The summary of this is contained in appendices 1 and 2 attached to the signed copy of these minutes.

It was

RESOLVED to recommend that in accordance with the account and audit regulations 2003 (as amended) the Annual Report and Statement of Accounts for 2008/09 be received and the Annual Report and Financial Statement for 2008/09 be recommended for Full Council approval.

6. Financial Regulations

The Financial Regulation Review was undertaken by the Policy & Resources Committee, this committee felt that the Audit Committee opinion would be relevant to the document before making recommendations to council

RESOLVED that the report to be deferred for the next meeting

The Meeting closed at 8.15pm.

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CHAIRMAN
29.06.09

St Neots Town Council Earmarked Reserves

	B/fwd 1st April 2008	Funds from Budget 2008/09	Actual Spend 08/09	Movements	Balance 31st March 2009	Funds from 2009/10 Budget	Current Balance	Notes / Details on Movements
4700 Depot Expansion/Equip	£ 20,100	£ 7,000	-(£12,602)		£ 14,498	£ 8,520	£ 23,018	
4701 Bus Shelters	-£ 1,302	£ 10,000	-(£4,369)		£ 4,329		£ 4,329	
4703 Eatons Community Centre *	£ 590,122	£ 17,000	-(£159,010)	£25,000	£ 473,112		£ 473,112	Grant Received from HDC
4703 Eatons Community Fit Out	£ -	£ -	£0	£25,000	£ 25,000	£ 35,000	£ 60,000	£20,000 from Office Accommodation & £5,000 from Market Stalls
4704 Office Fit Out	£ 60,000	£ 20,000		-(£52,645)	£ 27,355		£ 27,355	E.C. Fit out & £2,645 to Cemetery Extension
4705 Priory Centre Capt Projects	£ -	£ 27,000	£0		£ 27,000		£ 27,000	
4706 Portable Staging	£ 4,770	£ 2,500	£0		£ 7,270		£ 7,270	
4708 Upgrade Play areas	£ 20,857	£ 40,000	-(£33,882)		£ 26,975		£ 26,975	
4709 Electronic Communications	£ 2,000	£ -	£0	-(£2,000)	£ -		£ -	£2,000 to Replacement Van
4711 Town Plan	£ 15,000	£ 15,000	£0	-(£30,000)	£ -		£ -	£30,000 to Gen Reserves
4712 Christmas Lights	£ -	£ 30,395	-(£28,537)		£ 1,858		£ 1,858	£28,537 spend in Community Services
4713 Lottery Development	£ -	£ 10,000	£0	-(£10,000)	£ -		£ -	£10,000 to Environmental Schemes
4714 Market Stalls	£ -	£ 10,000	£0	-(£5,000)	£ 5,000		£ 5,000	£5,000 to E.C. Fit Out
4715 Church Yards	£ 1,579	£ -	£0		£ 1,579		£ 1,579	
4716 War Memorials	£ 1,275	£ -	£0		£ 1,275		£ 1,275	
4717 Traffic Management	£ 9,594	£ -	£0		£ 9,594	£ 5,000	£ 14,594	
4718 Footpath Projects	£ 3,195	£ -	£0		£ 3,195		£ 3,195	
4719 Signs	£ 108	£ -	£0		£ 108		£ 108	
4720 Lighting Schemes	£ 2,124	£ -	£0	-(£1,000)	£ 1,124		£ 1,124	£1,000 to Environmental Schemes
4721 Replacement Van	£ 2,115	£ -	£0	£2,000	£ 4,115		£ 4,115	£2,000 from Electronic Communications
Grants Carried Forward.								
Eaton Socon Church & United Reform Church	£ 10,000				£ 10,000		£ 10,000	£3,000 to URC £7,000 to ESC
Environmental Schemes								£10,000 from Lottery Development & £1,000 from Lighting Schemes
4115/201Cemetery Extension Audit				£11,000	£ 11,000		£ 11,000	From Office Fit Out
Cinema Grant Received				£2,645	£ -		£ -	Grant received from Screen East
Agrees with Accounts	£ 741,537	£ 188,895	-(£241,045)	-(£34,000)	£ 655,387	£ 48,520	£ 703,907	

Finance Capt/
Revenue
Expenditure
Amount
Budgeted
To General
Reserves

St Neots Town Council

Analytical Review

Analytical Review of the Town Council (Excluding the Priory Centre) Review of 2008-09 Budget V Actual

Cost Centre	Overall an Increase in costs of	The main variances being:-
<u>101</u> Corporate management	(-£8,900)	(-£8,900) The main variances being:-
4380 Audit fees		Mostly due to an extra charge of £10,00 for the 2007-8 Public Interest Report
		This is shown in the Grants section of the Income & Expenditure Acc
<u>102</u> Democratic Representation	Overall an Increase in costs of	(-£1,019) The main variances being:-
4325 Website Maintenance	(-£2,562)	No Budget in 08/09 for this cost.
4550 Members Allowances / Expenses	£835	A reduction on the budgeted value and on the prior year costs
4553 Council Chamber Expenses	£359	Although there were more meetings costs where kept within budget
<u>105</u> Central Administration	Overall a Decrease in costs of	£ 41,424 The main variances being:-
Central Admin Salaries	£ 26,555	A Reduction in salaries paid mainly due to the Town Clerks Resignation. Also I believe the Town centre Managers budget is with this heading.
4089 Courses & Seminars	(-£735)	Due to there being no budget for this in 08/09 although there was a budget in 07/08
4090 Staff Training	£1,564	Being a reduction in staff training in this year
4094 Payroll Administration	£7,090	A saving for taking the payroll administration in house
4300 Equipment Purchases	£2,500	No small Equipment purchased
4096 Special Car Allowance	(-£6,291)	Due to there being no budget for this in 08/09 although there was a budget in 07/08
4301 Computer Maintenance	(-£2,085)	Due to there being no budget for this in 08/09 although there was a budget in 07/09
4300 Equipment Purchases	£6,227	Equipment Purchases of £3,576 were made but these are shown in the Balance Sheet and not the Income & Expenditure Account
4323 Postage	£1,334	Being correct analysis of the costs amongst the heads
7382 Insurances	£7,787	Due to the Insurances being allocated across the heads.
4386 Professional Fees	(-£16,209)	Due to there being no budget for this in 08/09 although there was a budget in 07/09
4388 Loan Charges new cemetery	£5,000	No Charge this year as project on hold.
Income		
All	£14,550	Being income received none of which had a budget

St Neots Town Council

Analytical Review

Analytical Review of the Town Council (Excluding the Priory Centre) Review of 2008-09 Budget V Actual

Cost Centre			
<u>108</u>	<u>Other Costs & Income</u>	Overall an Increase in costs of	-£ 102
<u>201</u>	<u>Cemetery & Churchyard</u>	Overall a Decrease in costs of	£ 47,982
		The main variances being:-	
		This is mostly due to the operations depot now covering some of the costs. I am unable to do any further analysis due to the individual costs not being budgeted in the 2008/09 Budget.	
<u>210</u>	<u>Play Areas & Open Spaces</u>	Overall a Decrease in costs of	£67,003
		The main variances being:-	
		This is mostly due to the operations depot now covering some of the costs, Engineering Inspection now being charged to the correct heads £1,871. I am unable to do any further analysis due to the individual costs not being budgeted in the 2008/09 Budget.	
<u>220</u>	<u>Operational Services</u>	Overall an Increase in costs of	-(£159,510)
		The main variances being:-	
		This is mostly due to the operations depot now covering the play areas and the Churchyards and Cemeteries. I am unable to do any further analysis due to there being not budget for this service in the 2008/09 Budget. I am in the process of doing a time analysis to find out where costs could be allocated.	
<u>230</u>	<u>Community Services</u>	Overall an Increase in costs of	-(£18,649)
		The main variances being:-	
4516	Christmas Lights Erection	(-£19,237)	
		Being the erection of the Christmas Lights. This is being funded from the Earmarked reserve and a transfer for this has been made from the Earmarked Reserve for this.	
<u>250</u>	<u>Community Services/Grants</u>	Overall an Increase in income of	£20,347
4118	Gate lodge Expenses	(-£1,457)	
		An increase in Electricity costs. The property is now currently empty	
4353	Youth Town Council	£1,000	
		No youth Town Council in this year	
4354	Grants	£2,632	
		Not all grants budgeted for given out	
4355	Art & Drama Awards	£1,725	
		Not all grants budgeted for given out	
4386	Professional Fees	(-£2,002)	
		Professional fees for Land Registration fees, not budgeted for in 2008/09	
4717	Traffic Management Schemes	£4,406	
		Funded from the Earmarked Reserve	
1151	Grants received	£26,000	
		Being a Grant received from HAD £25,000 for the Eaton's Community Centre, £1,000 from Screen East for the Cinema. Both transferred to the Earmarked Reserve	

Analytical Review of the Town Council (Excluding the Priory Centre) Review of 2008-09 Budget V Actual

Cost Centre			
301	Highways & the Environment	Overall a Decrease in costs of	£105
4109	Street Light maintenance	£1,887	This charge is an allocation of cost by HAD. Expenditure is less than budgeted
4133	Energy Street Lights	(-£1,573)	This charge is an allocation of cost by HAD. Expenditure is greater than budgeted
4382	Insurances	(-£1,601)	Due to the Insurances being allocated across the heads.
4503	Notice Boards	£1,000	No costs or repairs to the notice boards this year
370	Town Centre Management	Overall an Increase in costs of	-(-£19,023)
4001	Town Centre Management	(-£19,610)	No Budget for this under this cost centre. I believe this was budgeted in Central Administration, but I do not know the value of the amount in the budget.
4320	Telephone Inc Mobile	(-£550)	Being correct analysis of the costs amongst the heads
4340	Riverside Festival Net cost	(-£2,810)	Being an overspend on a self funding event
4334 & 30	Promotion & Management	£4,947	Mostly due to recharges in 2007-8 from operations depot. No recharges in this year

Analytical Review

St Neots Town Council
Analytical Review of the Town Council (Excluding the Priory Centre) Review of 2008-09 Budget V Actual

Cost
Centre

Reconciliation

Summary of the Town Council

101	Corporate management	Overall a Decrease in costs of	(£8,900)
102	Democratic Representation	Overall a Decrease in costs of	(£1,019)
105	Central Administration	Overall a Decrease in costs of	£41,424 £31,505
108	Other Costs & Income	Overall a Decrease in costs of	(£102)
201	Cemetery & Churchyard	Overall a Decrease in costs of	£47,982
210	Play Areas & Open Spaces	Overall a Increase in Income of	£67,003
220	Operational Services	Overall a Increase in Income of	(£159,510) (£44,525)
230	Community Services	Overall a Increase in Income of	(£18,649)
250	Community Services / Grants	Overall a Increase in Income of	£20,347 £1,698
310	Highways & the Environment	Overall a Increase in Income of	£105
370	Town Centre Management	Overall a Increase in Income of	(£18,023)
			(£29,342)

Extract from the Explanatory Forward

	Budget	Actual	Variance
Cultural, Environmental & Planning Services			
Recreational, Amenity & Open Spaces	£132,295	£176,820	-(£44,525)
Town Centre Management	£6,080	£24,103	-(£18,023)
Community Services	£24,475	£47,171	-(£22,696)
Grants	£33,270	£8,877	£24,393 £1,697
Highways, Roads & Transport Services	£8,097	£7,992	£105
Corporate & Democratic Core	£346,865	£315,359	£31,506
Net Costs of Services	£551,082	£580,322	-(£29,240)
External Interest Payable	(£35,604)	£1,661	-(£1,661)
Interest Received	£515,478	£544,820	£1,559 (£102)
			(£29,342)

Analytical Review of the Priory Centre

Review of 2008-09 Budget V Actual

Cost Centre	Salaries	Other Staff Costs	Overall a Decrease in costs of	£	35,059	The main variances being:-
501	Priority Centre Staffing					
	Salaries		£ 31,423			being a saving from not replacing a duty officer on maternity leave and using in house cover.
	Other Staff Costs		£ 1,162			being a saving from not advertising for staff not being replaced
502	Priority Centre - Premises Cost					
4100-1	Repairs & Plant Maintenance		£ 3,320			£ 7,081 The main variances being:-
4103	Property Maintenance		£ 7,413			A reduction in Plant Maintenance in this year
4131	Electricity		(1,144)			A reduction in Property Maintenance in this year
4132	Gas		(4,104)			Increase in the costs of Electricity and the use of.
4145	Rates		966			Increase in the costs of Gas and increased use of.
4150	Cleaning materials		(704)			Rates being overstated in the Budget
4379	Engineering inspections		(1,211)			Increase in the costs of Materials and increased use of.
4416	Waste Disposal		1,526			Being a charge not previously analysed across the heads
						Being a Decrease in frequency in collections from 2007/08
503	Priority Centre - Supplies & Services					
4152	Licences		£ 3,055			£ 3,933 The main variances being:-
4300	Equipment Purchases		£ 2,500			A reduction in the cost of PRS licences
4302	Computer Software		(1,939)			No small Equipment purchased
						Due to an increased user for the SCUBA System
504	Priority Centre - Running Costs					
4322	Printing & Stationery		(1,093)			£ 4,616 The main variances being:-
4323	Postage		(1,504)			An Increase in costs due to more accurate analysis of costs across the cost centres
4331-2	Marketing & Advertising		(1,305)			An Increase in costs due to more accurate analysis of costs across the cost centres
4381	Bank Charges		(1,015)			An Increase in costs due to more accurate analysis of costs across the cost centres
4382	Insurances		(2,967)			Costs are line with prior years but no budget set for this cost
						Costs are line with prior years but insufficient budget set for this cost
4383	Finance charges		11,502			£17,500 in the budget. Interest charged was £5,998. Loan repayments are not shown in the I & E account, but were £9,526. There was no budget for the loan repayments

Analytical Review of the Priory Centre

Review of 2008-09 Budget V Actual

Cost Centre			
505	<u>Priory Centre - Other Costs</u>	£ 34,390	The main variances being:-
4387	Debt Charges	17,600	This was duplicated with the budget
	<u>Income</u>		
1050	Hall Hire	16,290	Being an increase on hall hire over budgeted amount
1250	Bank Interest	(1,500)	Being a reallocation of bank interest due to all accounts being under the Town Council
520	<u>Priory Centre - Bar & Catering</u>		
		£ 5,124	No Analysis of the headings within the budget set of £48,000 bar profit
525	<u>Priory Centre - Functions</u>		
		£ 7,131	No budget set for this costs centre, assumed to achieve breakeven.

Reconciliation

Summary of the Priory Centre

501	Priory Centre Staffing	£ 35,059
502	Priory Centre - Premises Cost	£ 7,081
503	Priory Centre - Supplies & Services	£ 3,933
504	Priory Centre - Running Costs	£ 4,616
505	Priory Centre - Other Costs	£ 34,390
520	Priory Centre - Bar & Catering	£ 5,124
525	Priory Centre - Functions	£ 7,131
	Unadjusted rounding diffs	£ 7
		<u>£97,341</u>

Extract from the Explanatory Forward

	Budget	Actual	Non PC Adjusted
Priory Centre	111,870	26,031	-
External Interest Payable	17,500	7,659	(1,661.)
	<u>129,370</u>	<u>33,690</u>	<u>(1,661)</u>
			<u>97,341</u>

H:\Y Accountants Administrator\2008-09 Workings\Analytical Review for 2008-09