

STRATFORD-UPON-AVON TOWN COUNCIL

FINANCE & SCRUTINY COMMITTEE

11 JUNE, 2019

TOWN CLERK'S OPEN REPORT

1) To Receive the Management Accounts for the period
1 April 2018 – 31 March 2019

- **To note the report**

The Management Accounts for the period 1 April 2018 – 31 March 2019 are attached as **Appendix 'A'**.

As these are the figures for the full year, Members will note the Annual and YTD Budget and Variances are identical.

The figures reported do not include any year-end balance adjustments subsequently identified by the Town Council's accountants in preparing the Annual Accounts for 2018-19.

Members are requested to note the analysis in the Management Accounts Review, attached as **Appendix 'B'**.

2) Annual Accounts for the Year 2018-19 ended 31 March 2019

- **Members are requested to consider the report and recommend the 2018-19 Annual Accounts to Council for approval**

The audited Annual Accounts (Financial Statements) for the period 1 April 2018 – 31 March 2019 are attached as **Appendix 'C'**.

- The accounts show a net deficit for the year of £34,882, with a net transfer of £49,752 from Designated Reserves following work undertaken on the Town Hall, the completion of the Localism Project (Neighbourhood Development Plan), reductions in the Cemetery Reserve, Allotment Reserve and Christmas Festival Reserve, and including the setting up a new Election Expenses Reserve. General Reserves rose by £14,870 to **£520,711** nearly half of which resulted from a transfer of the balance from the

Localism Project Reserve following completion of the project in 2018.

- As determined during the Budget review process for 2018-19 and for 2019-20, further costs for the maintenance of the Town Hall over the next financial year will be taken from the Designated Reserve for Building Maintenance, which has decreased after initial expenditure for 2018-19.
- Following the dissolution of the Old Stratford & Drayton parish, and the transfer of funds to the Town Council, work was undertaken in 2018-19 and the Designated Reserve for Bishopton Hamlet now stands at £1,650. This balance needs to be spent by October 2019 for the sole benefit of the community, in line with the terms and conditions of the settlement. The community group are aware of this requirement.
- Members will also note the Designated Reserve for Shakespeare's Birthday Celebrations shows a decrease of £3,085 from the previous year. The Town Council facilitates the organisation of the Celebrations and, as the 'banker', the Council receives various donations and grants from other interested parties. The figure of £68,068 represents the balance in our accounts as at the 31 March, 2019.

Council's accountant, Murphy Salisbury, calculates that it should be ring fenced for use against the cost of any outstanding payments for the 2019 parade and contribute towards the future cost of the Shakespeare Birthday Celebrations.

As per the change introduced two years ago, the policy of including accruals, prepayments and deferred income relating to these activities elsewhere in the Town Council's accounts is no longer being used, which has resulted in greater transparency of funds available throughout the financial year. The Management Accounts as at the end of June 2019 should give a clearer view of the balance available for the event in 2020, as this will reflect the income from the budget contributions of the District and Town Councils for 2019-20 as well as accounting for all expenditure and charges relating to this year's event in April 2019.

- Additional funds have been transferred to other Designated Reserves, in line with budget decisions and minutes from other Standing Committees.

Therefore, the revised Designated Reserves at 31 March 2019 show a net decrease of £49,752 and Reserves are now reported as:

Building Maintenance	£150,860
Cemetery Land & Building Maintenance	£ 25,400
Allotment	£ 27,162
Election Expenses	£ 9,500
Old Stratford & Drayton	£ 1,650
Shakespeare Birthday Celebrations	£ 68,068
Vehicle Replacement	£ 12,500
Localism Project	£ 0
Christmas Festival	£ 9,298
Total Designated Reserves	£304,438
General Reserve	£520,711
Total Reserves	£825,149

Note – the Financial Statements are required to show figures for Fixed Assets, but Members should be aware these only reflect valuations of the Council’s assets at a point in time and do not indicate funds available to finance the Council’s ongoing activities.

3) Internal Audit & Annual Governance and Accountability Return for the year 2018-19

- **Members are requested to consider the report and recommend the Annual Governance and Accountability Return for the year ended 31 March 2019 to Council for approval**
- **Members are further requested to give consideration to the points raised by the Internal Auditor**

H.L. Barnes has completed its internal audit and attached as **Appendix ‘D’** is the Annual Governance and Accountability Return (AGAR), together with supporting documentation, which is required by PKF Littlejohn, the External Auditor, by 1 July 2019.

As shown in their covering letter dated 31 May 2019, attached as **Appendix 'E'**, the Internal Auditor has advised that their work did not identify any matters where systems and/or procedures are not being followed.

The Internal Auditor noted there are no new areas where they feel improvements could be made or there were minor errors, though they have drawn Council's attention to a number of ongoing matters as reported in their letter of 24 May 2018. None of these impact on their Internal Audit Report and are documented for Council's consideration.

The Deputy Town Clerk and the Town Clerk have reviewed these points and a written response will be sent.

Members are requested to note the report.

Deputy Town Clerk
4 June, 2019