

**Stone Town Council**

**5<sup>th</sup> June 2018**

**Council Accounts 2017-18 and Audit Submission**

**Report of Town Clerk**

**Introduction**

1. This report sets out the Council's accounts for 2017-18. It compares the final outturn figures with the original budget for the year and the forecast produced as part of the budget process.
2. The proposed financial submission to the Council's external auditors is also attached for approval.

**Background**

3. The Council's financial year runs from 1 April to 31 March. It is required to keep its accounts for that period in accordance with legal requirements, to report them for approval by the Council within three months of the year end, and to submit an annual return to its external auditors to a similar timescale.
4. The Council is also required to employ the services of an internal auditor, who examines the accounts, reviews the Council's internal control, completes the internal audit section of the annual return, and may produce a report identifying any areas of concern to Members. This internal audit has been performed by Sandie Morris, who will be reporting independently to the Council, as required.
5. Subject to certain limited requirements, councils which turn-over less than £6.5 million per annum are not expected to comply with the accounting standards required of larger local authorities and are largely free to determine their own form of accounts, subject to national recommendations on proper practices.

**Accounts 2017-18**

6. The Council's net revenue spending for 2017-18 was £340,119. This can be seen in detail in the Income and Expenditure Account set out at Appendix 1. The resulting effect on the Council's balance sheet can be seen at Appendix 2.
7. This net spending of £340,058 compares with £250,441 in the previous year, an approved budget of £412,630 and a forecast made at the time the 2017-18 budget was prepared of £385,700. This is set out in more detail in Appendix 3.
8. Explanations of the major variations between the original budget and the forecast were included in a series of budget reports to this Committee and its Sub-Committees during

December 2017 and January 2018. Details of the major variations from the forecast that was made at the time the 2018-19 budget was prepared are set out later in the report.

9. In a number of cases identified below, spending was originally anticipated and provided for in 2017-18, but that expenditure has been delayed until the current year. In such cases I have recommended that the budgets be rolled forward to the new financial year to meet the costs when they are incurred. A figure of £33,270 has been contributed to the Rollover Reserve to allow this transfer between years to happen. The details of the makeup of this reserve are set out in the explanation of variances below.

### **Explanation of Variances from Forecast**

10. Appendix 3 shows that the Council's net expenditure for 2017-18 was £45,642 less than forecast at the time the budget was prepared in January. Of this, £33,270 relates to budgets rolled over into the current financial year and £5,500 to the Neighbourhood Plan delay, leaving a true variance of £7,872 – an underspending of 2%.
11. Details of the more significant variances (over £1,000 or where a rollover is proposed) are set out below:
12. **Frank Jordan Centre (net £1,921 underspent)** – Income was £869 above forecast and expenditure £1,052 below.
13. **Bus Shelters and Street Furniture (£10,346 underspent)** – This underspending was largely due to works planned for 2016-17 not taking place. An amount of £8,700 has been rolled forward via the rollover reserve to meet the costs of upgrading fingerposts, the repair and provision of noticeboards, and a bus shelter and bench at Oulton Road.
14. **Building Maintenance (£10,000 underspent)** – The building maintenance budget was not utilised in 2017-18. The £10,000 has therefore been rolled forward via the rollover reserve and is earmarked towards the cost of upgrading the boiler at the Frank Jordan Centre during the current financial year.
15. **Crown Meadow Improvements (£594 underspent)** – the majority of the underspending relates to the kingfisher bench (£230) and pole re-seating (£350) which have been rolled over via the rollover reserve.
16. **Allotments (£2,143 underspent)** – Works on the road and a waterpipe at Newcastle Road were planned for 2017-18, but have been delayed to the current year. In addition, only part of the planned tree removal works had been completed within the year. An amount of £1,800 has been rolled forward via the rollover reserve to meet these costs.
17. **Tourism and Town Promotion (£4,301 underspent)** – Although the statement shows an underspend of £4,301 against the forecast, the true position is that the underspend is actually £3,301. This is due to the £1,000 contribution from this budget to the World War I event reserve being shown as a contribution to earmarked reserves in the accounts, rather

than a charge to this budget. The remaining underspend relates to additional income (£1,778) and only a partial utilisation of the contingency provided for within the forecast.

18. **Grants to Outside Bodies (£3,998 underspent)** – This underspending (rounded to £4,000) has been rolled forward via the rollover reserve.
19. **Administration (£8,189 underspent)** – The provision for new office IT equipment did not occur until late in the year, and expenditure originally planned as one off costs were undertaken as rentals instead. This reduced spending in 2017-18. Website development and the replacement of the office carpet were delayed to the current year, as was expenditure on a Data Protection Officer, as required by GDPR. The (rounded) underspending of £8,190 has been rolled forward to meet these costs in 2017-18 via the rollover reserve.
20. **Miscellaneous (£3,800 overspent)** - This overspending is due to the £4,000 paid for the preparation and presentation of the Council's HS2 petition.
21. **Neighbourhood Plan (£5,500 underspent)** – Planned spending on the “Regulation 14” process was delayed due to Stafford Borough Council not completing “clearing” to the timescale in the project plan. Expenditure on preparing the Plan is met by a contribution from the earmarked reserve already set aside to meet its costs. No rollover is necessary to carry these funds forward to the current financial year.

#### **Audit Submission**

22. The completed financial statement to be submitted to the Council's external auditors is attached at Appendix 4 and the summary year-end bank reconciliation which will accompany it is at Appendix 5. It should be noted that the figure for income in the audit return is £918 lower than set out in other parts of this report. This is because the Mayor's Charity Fund is required to be included within the accounts for external reporting purposes, but it is excluded from internal income and expenditure reports for the sake of clarity.

#### **Recommendations**

23. The Council are recommended to:
  - a. Approve the Council's Accounts for 2017-18 as set out in this document, including the use of the rollover reserve to allow the transfer of budgets between financial years and its proposed use in 2018-19.
  - b. Note the variances between the forecast outturn for 2017-18 and the actual outturn, and the reasons identified for the major variances.
  - c. Approve the financial statement for submission to the Council's external auditors.

# Stone Town Council

## Income and Expenditure Account 2017-18

| 2016-17            |                |                                       | 2017-18 |                |
|--------------------|----------------|---------------------------------------|---------|----------------|
| £                  | £              |                                       | £       | £              |
| <b>Income</b>      |                |                                       |         |                |
| 11,875             |                | Frank Jordan Centre                   | 9,169   |                |
| 10,601             |                | Stone Station                         | 10,005  |                |
| 24,748             |                | Town Market                           | 21,410  |                |
| 3,288              |                | Allotments                            | 3,586   |                |
| -                  |                | Tourism & Town Promotion              | 2,550   |                |
| 1,728              |                | Civic Dinner & Hospitality            | 1,487   |                |
| 16                 |                | Miscellaneous                         | 552     |                |
| 463                |                | Interest                              | 150     |                |
| -                  |                | Neighbourhood Plan                    | 1,500   |                |
|                    | <b>52,720</b>  | <b>Total Income</b>                   |         | <b>50,409</b>  |
| <b>Expenditure</b> |                |                                       |         |                |
| 22,129             |                | Frank Jordan Centre                   | 107,548 |                |
| 15,082             |                | Stone Station                         | 17,094  |                |
| 12,886             |                | Town Market                           | 12,239  |                |
| 8,006              |                | Car Parking                           | 5,097   |                |
| 10,525             |                | Bus Shelters & Street Furniture       | 1,554   |                |
| 473                |                | Street Lighting                       | 519     |                |
| 698                |                | Dog & Litter Bins                     | 719     |                |
| 200                |                | Joules Clock                          | 250     |                |
| 160                |                | Town Electricity Supply               | 97      |                |
| 12,832             |                | Grounds Maintenance                   | 14,170  |                |
| 3,807              |                | Crown Meadow Improvements             | 3,106   |                |
| 2,737              |                | Allotments                            | 1,943   |                |
| -                  |                | Environmental Projects                | -       |                |
| 13,768             |                | Christmas Lights                      | 13,135  |                |
| 636                |                | Advertising                           | 675     |                |
| 18,880             |                | Tourism & Town Promotion              | 19,449  |                |
| 8,398              |                | Grants to Outside Bodies              | 8,202   |                |
| 123,938            |                | Salaries & Employment Costs           | 128,170 |                |
| 3,747              |                | Accommodation                         | 3,742   |                |
| 7,734              |                | Insurances                            | 8,202   |                |
| 12,966             |                | Administration                        | 26,811  |                |
| 900                |                | Audit & Legal Fees                    | 1,171   |                |
| 8,494              |                | Town Council Elections                | -       |                |
| 2,871              |                | Allowances - Mayor & Deputy Mayor     | 2,957   |                |
| 2,358              |                | Regalia & Presentations               | 995     |                |
| 2,022              |                | Civic Dinner & Hospitality            | 2,407   |                |
| 1,398              |                | Remembrance Sunday & War Memorials    | 1,363   |                |
| 1,518              |                | Miscellaneous                         | 5,852   |                |
| 4,000              |                | Neighbourhood Plan                    | 3,000   |                |
|                    | <b>303,161</b> | <b>Total Expenditure</b>              |         | <b>390,467</b> |
|                    | <b>250,441</b> | <b>Total Net Expenditure</b>          |         | <b>340,058</b> |
| <b>Financing</b>   |                |                                       |         |                |
| 224,333            |                | Precept                               | 255,559 |                |
| 18,069             |                | Council Tax Support Grant             | 18,166  |                |
| 11,461             |                | Concurrent Functions Allowance        | 11,461  |                |
| -17,030            |                | Transfer from (to) Earmarked Reserves | 31,260  |                |
|                    | <b>236,833</b> | <b>Total Financing</b>                |         | <b>316,446</b> |
|                    | <b>-13,608</b> | <b>Net Surplus for Year</b>           |         | <b>-23,612</b> |

# Stone Town Council

## Balance Sheet as at 31 March 2018

| <u>2016-17</u> |                       |                                    | <u>2017-18</u> |                       |
|----------------|-----------------------|------------------------------------|----------------|-----------------------|
| £              | £                     |                                    | £              | £                     |
|                |                       | <b>Current Assets</b>              |                |                       |
| 1,360          |                       | Debtors                            | 999            |                       |
| 1,428          |                       | Payments in Advance                | 1,380          |                       |
| 1,439          |                       | VAT Recoverable                    | 2,183          |                       |
| 359,282        |                       | Cash at Bank and In Hand           | 303,365        |                       |
|                | <b>363,509</b>        | <b>Total Current Assets</b>        |                | <b>307,927</b>        |
|                |                       | <b>Current Liabilities</b>         |                |                       |
| 17,787         |                       | Creditors                          | 16,108         |                       |
| 1,405          |                       | Receipts in Advance                | 897            |                       |
| -              |                       | Payroll Taxation                   | 2,393          |                       |
|                | <b>19,192</b>         | <b>Total Current Liabilities</b>   |                | <b>19,398</b>         |
|                | <u><b>344,318</b></u> | <b>Total Net Assets</b>            |                | <u><b>288,528</b></u> |
|                |                       | <b>Represented by</b>              |                |                       |
| 255,539        |                       | General Fund Balances              | 231,927        |                       |
| 85,475         |                       | Earmarked Reserves                 | 54,215         |                       |
| 3,304          |                       | Mayor's Charity Fund               | 2,386          |                       |
|                | <u><b>344,318</b></u> | <b>Total Reserves and Balances</b> |                | <u><b>288,528</b></u> |

# Stone Town Council

## Comparison of Actual 2017-18 with Budget and Forecast

Appendix 3

| Actual<br>2016-17 | Actual<br>2017-18 | Actual Compared With<br>Approved Budget |                     | Actual Compared With Forecast<br>Outturn |                     | Report<br>Paragraph |
|-------------------|-------------------|---|---------------------|--|---------------------|---------------------|
|                   |                   | Budget<br>2017-18                       | Variance<br>2017-18 | Forecast<br>2017-18                      | Variance<br>2017-18 |                     |
|                   | £                 | £                                       | £                   | £  | £                   |                     |
| 10,254            | 98,379            | 95,900                                  | +2,479              | 100,300                                  | -1,921              | 12                  |
| 4,482             | 7,089             | 4,600                                   | +2,489              | 6,600                                    | +489                |                     |
| -11,862           | -9,170            | -6,600                                  | -2,570              | -8,300                                   | -870                |                     |
| 8,006             | 5,097             | 5,900                                   | -803                | 6,000                                    | -903                |                     |
| 10,525            | 1,554             | 12,300                                  | -10,746             | 11,900                                   | -10,346             | 13                  |
| -                 | -                 | 6,200                                   | -6,200              | -  | -                   |                     |
| 473               | 519               | 500                                     | +19                 | 500                                      | +19                 |                     |
| 698               | 719               | 700                                     | +19                 | 700                                      | +19                 |                     |
| 200               | 250               | 0                                       | +250                | 300                                      | -50                 |                     |
| 160               | 97                | 200                                     | -103                | 200                                      | -103                |                     |
| -                 | -                 | 10,000                                  | -10,000             | 10,000                                   | -10,000             | 14                  |
| 12,832            | 14,170            | 14,100                                  | +70                 | 14,100                                   | +70                 |                     |
| 3,807             | 3,106             | 4,430                                   | -1,324              | 3,700                                    | -594                | 15                  |
| -                 | -                 | 6,200                                   | -6,200              | -  | -                   |                     |
| -552              | -1,643            | 1,100                                   | -2,743              | 500                                      | -2,143              | 16                  |
| 13,768            | 13,135            | 15,000                                  | -1,865              | 13,300                                   | -165                |                     |
| 636               | 675               | 500                                     | +175                | 700                                      | -25                 |                     |
| 18,880            | 16,899            | 21,600                                  | -4,701              | 21,200                                   | -4,301              | 17                  |
| 8,398             | 8,202             | 12,200                                  | -3,998              | 12,200                                   | -3,998              | 18                  |
| 123,938           | 128,170           | 129,600                                 | -1,430              | 128,100                                  | +70                 |                     |
| 3,747             | 3,742             | 4,200                                   | -458                | 4,100                                    | -358                |                     |
| 7,734             | 8,202             | 8,000                                   | +202                | 8,200                                    | +2                  |                     |
| 12,966            | 26,811            | 35,000                                  | -8,189              | 35,000                                   | -8,189              | 19                  |
| 900               | 1,171             | 900                                     | +271                | 1,200                                    | -29                 |                     |
| 8,494             | -                 | 0                                       | -                   | -  | -                   |                     |
| 2,871             | 2,957             | 3,000                                   | -43                 | 3,000                                    | -43                 |                     |
| 2,358             | 995               | 1,500                                   | -505                | 1,300                                    | -305                |                     |
| 294               | 920               | 1,000                                   | -80                 | 1,000                                    | -80                 |                     |
| 1,398             | 1,363             | 1,500                                   | -137                | 2,000                                    | -637                |                     |
| 1,501             | 5,300             | 1,700                                   | +3,600              | 1,500                                    | +3,800              | 20                  |
| -463              | -150              | -600                                    | +450                | -600                                     | +450                |                     |
| 4,000             | 1,500             | 22,000                                  | -20,500             | 7,000                                    | -5,500              | 21                  |
| <b>250,441</b>    | <b>340,058</b>    | <b>412,630</b>                          | <b>-72,572</b>      | <b>385,700</b>                           | <b>-45,642</b>      |                     |

## Section 2 – Accounting Statements 2017/18 for

## CHILD CARE OF AUTHORITY

|   | Year ending        |                    | Notes and guidance  |
|---|--------------------|--------------------|---|
|   | 31 March 2017<br>£ | 31 March 2018<br>£ |   |
| 1. Balances brought forward   | 339,978            | 344,318            | 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  | 224,333            | 255,559            | Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.   |
| 3. (+) Total other receipts   | 82,250             | 80,036             | 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  | 123,993            | 130,714            | 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   | NIL                | NIL                | Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).  |
| 6. (-) All other payments   | 178,250            | 260,671            | 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   | 344,318            | 288,528            | 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                                   | 359,282            | 303,365            | The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.                                     |
| 9. Total fixed assets plus long term investments and assets                         | 274,263            | 287,824            | The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.  |
| 10. Total borrowings  | NIL                | NIL                | 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                | No                 | 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 2018 the Accounting Statements in this Annual Governance and Accountability Return present fairly the financial position of this authority and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer

Date

I confirm that these Accounting Statements were approved by this authority on this date:

and recorded as minute reference:

Signed by Chairman of the meeting where approval of the Accounting Statements is given

**Summary Bank Reconciliation**

Local Council Name: Stone Town Council

Financial year ending 31 March 2018

Prepared by \_\_\_\_\_ (Name and Position) Date \_\_\_\_\_

**Balance per bank statements as at 31 March 2018:**

|                  | <u>£</u>         | <u>£</u>   |
|------------------|------------------|------------|
| Current Account  | 1,705.00         |            |
| Business Reserve | 292,215.15       |            |
| National Savings | <u>13,013.28</u> |            |
|                  |                  | 306,933.43 |

**Less: unpresented cheques at 31 March 2018**

|                |          |               |            |
|----------------|----------|---------------|------------|
| Cheque Number: | 012907 - | 303.36        |            |
|                | 012925 - | 926.00        |            |
|                | 012936 - | 2,353.31      |            |
|                | 012938 - | 19.99         |            |
|                | 012940 - | 36.37         |            |
|                | 012941 - | <u>662.74</u> |            |
|                |          |               | - 4,301.77 |

**Add: unbanked cash at 31 March 2018:**

|               |        |
|---------------|--------|
| <u>733.80</u> | 733.80 |
|---------------|--------|

**Net balances as at 31 March 2018****303,365.46****CASH BOOK**

|  |                   |
|--|-------------------|
| Opening Balance 1 April 2017   | 359,281.60        |
| Add: Receipts in the year  | 375,730.84        |
| Less: Payments in the year   | - 431,646.98      |
| Closing balance per cash book as at 31 March 2018<br>(receipts and payments) | <b>303,365.46</b> |