

Section 1 – Annual Governance Statement 2019/20

We acknowledge as the members of:

Sandown Town Council

our responsibility for ensuring that there is a sound system of internal control, including arrangements for 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 2020, that:

	Agreed		'Yes' means that this 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.	✓		<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>
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 authority to conduct its business or manage its finances.	✓		<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>
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.	✓		<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		<i>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.</i>
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		<i>responded to matters brought to its attention by internal and external audit.</i>
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 authority and, where appropriate, have included them in the accounting statements.	✓		<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>
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	N/A
			✓
	<i>has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.</i>		

*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

Monday, 27 July 2020

and recorded as minute reference:

05-20/21(5)

Signed by the Chairman and Clerk of the meeting where approval was given:

Chairman

Clerk

Other information required by the Transparency Codes (not part of Annual Governance Statement)

Authority web address

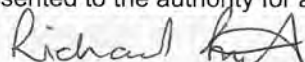
www.sandowntowncouncil.gov.uk

Section 2 – Accounting Statements 2019/20 for

	Year ending		Notes and guidance
	31 March 2019 £	31 March 2020 £	
			<i>Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.</i>
1. Balances brought forward	115,791	290,870	<i>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.</i>
2. (+) Precept or Rates and Levies	429,902	339,587	<i>Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.</i>
3. (+) Total other receipts	197,926	77,466	<i>Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.</i>
4. (-) Staff costs	83,634	74,712	<i>Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.</i>
5. (-) Loan interest/capital repayments	34,649	34,347	<i>Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).</i>
6. (-) All other payments	334,366	257,412	<i>Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).</i>
7. (=) Balances carried forward	290,870	341,452	<i>Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).</i>
8. Total value of cash and short term investments	303,411	356,390	<i>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.</i>
9. Total fixed assets plus long term investments and assets	1,120,355	1,133,707	<i>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.</i>
10. Total borrowings	546,817	530,447	<i>The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).</i>
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	<i>The Council, as a body corporate, 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>

I certify that for the year ended 31 March 2020 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval



Date 27 July 2020

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

Monday, 27 July 2020

as recorded in minute reference:

05-20/21(6.i)

Signed by Chairman of the meeting where the Accounting Statements were approved



Annual Internal Audit Report 2019/20

SANDOWN TOWN COUNCIL

This authority's internal auditor, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls to be in operation **during** the financial year ended 31 March 2020.

The internal audit for 2019/20 has been carried out in accordance with this 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 authority.

Internal control objective	Agreed? Please choose one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic and year-end bank account reconciliations were properly carried out.	✓		
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.	✓		
K. IF the authority certified itself as exempt from a limited assurance review in 2018/19, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2018/19 AGAR tick "not covered")	✓		
L. The authority has demonstrated that during summer 2019 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.	✓		
M. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

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

Date(s) internal audit undertaken

20/06/20

Name of person who carried out the internal audit

GARETH HUGHES

Signature of person who carried out the internal audit

Gareth Hughes

Date 15/07/20

*If the response is 'no' you must include a note to 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, the annual internal audit report must explain why not (add separate sheets if needed).

SANDOWN TOWN COUNCIL

Prepared by: Richard Paul Date: _____
Name and Role (Clerk/RFO etc)

Approved by: [Signature] Date: _____
Name and Role (RFO/Chair of Finance etc)

	Bank Reconciliation at 31/03/2020		
	Cash in Hand 01/04/2019		303,411.00
	ADD Receipts 01/04/2019 - 31/03/2020		416,956.74
			720,367.74
	SUBTRACT Payments 01/04/2019 - 31/03/2020		364,638.38
A	Cash in Hand 31/03/2020 (per Cash Book)		355,729.36
	Cash in hand per Bank Statements		
	Petty Cash 31/03/2019	2.41	
	A/c 4 Dormant 31/03/2020	0.10	
	a/c 3 Reserves 31/03/2020	80,000.00	
	a/c 2 VAT REFUNDED 31/03/2020	233,000.00	
	Treasurer's - current account 31/03/2020	43,387.92	
			356,390.43
	Less unrepresented payments		737.87
			355,652.56
	Plus unrepresented receipts		76.80
B	Adjusted Bank Balance		355,729.36
	A = B Checks out OK		

Summary of Income and Expenditure for year end 31 March 2020

INCOME	2019/20	AGAR	
Bank Interest	£39.92	1. Balances brought forward	£290,870
Donations	£13,930.00		
Hall Hire	£24,023.40	2. (+) Precept or Rates and Levies	£339,587
HMRC VAT Refund	£35,325.55	3. (+) Total other receipts	£77,466
Precept and Grants	£5,213.00		
Refunds	£615.07	Sum	£417,053
Sale of Assets	£500.00		
Precept	£337,233.00		
	<u>£416,879.94</u>		
Uncashed	£76.80		
	<u>£416,956.74</u>		
Outstanding Debtors	£96.00		
	<u>£417,052.74</u>		
EXPENDITURE	2019/20		
Advertising and Publicity	£1,726.32	4. (-) Staff costs	£74,712
Beaches	£22,611.11	5. (-) Loan interest/capital repayments	£34,347
Broadway Centre Fixtures, fixings and furniture	£5,877.92	6. (-) All other payments	£257,412
Broadway Centre Running Costs	£17,776.14		
Civic and Community	£20,050.44		
Councillors and Elections	£826.92		
General Administration	£3,112.47		
Loan Repayment	£34,346.98		
Los Altos (Maintenance)	£5,424.20		
Miscellaneous	£55,613.89		
Public Toilets	£47,394.79		
Sandham Gardens	£25,566.45		
Staffing Costs	£3,327.08		
Steven Jenkins Refurbishment	£45,372.19		
Staffing (Box 5)	£74,712.16		
Petty Cash	£161.45		
	<u>£363,900.51</u>		
Uncashed	£709.20		
	<u>£364,609.71</u>		
Outstanding Bills	£1,861.48		
	<u>£366,471.19</u>	Sum	£366,471
			£341,452
Balance as per bank statement 31 March 2020		7. (=) Balances carried forward	
Petty Cash	£2.41		
A/C 4 Dormant	£0.10		
A/C 2 VAT Refunded	£80,000.00		
A/C 3 Reserves	£233,000.00		
Treasurers Account	£43,387.92		
	<u>£356,390.43</u>	8. Total value of cash and short term investments	£356,390
Less: Uncashed Payment	-£709.20		
Add: Uncashed Receipt	£76.80		
	<u>£355,758.03</u>		
Scribe Balance	£355,758.03		
RESERVES	2019/20		
Balance at 31 March 2019	£303,411.00		
Total Income	£417,052.74		
	<u>£720,463.74</u>		
Total Expenditure	-£366,471.19		
Balance at 31 March 2020	<u>£353,992.55</u>		
BALANCE SHEET			
Balance and Reserves as at 31 March 2020	£353,992.55		
Add: Creditors	£1,861.48		
	<u>£355,854.03</u>		
Less: Debtors	£96.00		
	<u>£355,758.03</u>		

Explanation of variances – pro forma

Name of smaller authority: [REDACTED]

County area (local councils and parish meetings only): [REDACTED]

Insert figures from Section 2 of the AGAR in all Blue highlighted boxes

Next, please provide full explanations, including numerical values, for the following that will be flagged in the green boxes where relevant:

- variances of more than 15% between totals for individual boxes (except variances of less than £200);
- a breakdown of approved reserves on the next tab if the total reserves (Box 7) figure is more than twice the annual precept/rates & levies value (Box 2).

	2018/19 £	2019/20 £	Variance £	Variance %	Explanation Required?	Automatic responses trigger below based on figures input, DO NOT OVERWRITE THESE BOXES	Explanation from smaller authority (must include narrative and supporting figures)
1 Balances Brought Forward	115,791	290,870				Explanation of % variance from PY opening balance not required - Balance brought forward agrees	
2 Precept or Rates and Levies	429,902	339,587	-90,315	21.01%	YES		The variance is the result of the 2018/2019 precept included the provision for repayment of VAT owed of £138,507. The 2019/20 budget did not include provision for VAT repayment and allocated reserves. This takes the variances to a positive variance of £48,192 which is the provision of funds for rebuilding the church wall (£48,352).
3 Total Other Receipts	197,926	77,466	-120,460	60.86%	YES		Receipts for 2018/19 included £153,507 VAT refund from Broadway Centre Build. The remaining positive variance is £33047 of which can be attributed to an increase in revenue from hall hire (regular bookings fro classes and clinics).
4 Staff Costs	83,634	74,712	-8,922	10.67%	NO		
5 Loan Interest/Capital Repayment	34,649	34,347	-302	0.87%	NO		
6 All Other Payments	334,466	257,412	-77,054	23.04%	YES		The variance is the result of a number of different factors, in addition to an overall reduction in costs for office supplies etc. The significant differences were £67, 873 relating to the building of the broadway centre and a further £13,452 for fixtures and fittings. Smaller variances included the lack of election saving £5,800, the removal of the councils in house maintenance provision making a saving of £2,884 and cessation of the youth provision at £2,500. More generally, the following items contribute to the variance - £2,300 of audit fees. £1,724 to onward creative and county subscriptions of £1,987 were not paid. A £3,800 saving in the running of the toilets was also made.
7 Balances Carried Forward	290,870	341,452			NO	VARIANCE EXPLANATION NOT REQUIRED	
8 Total Cash and Short Term Investments	303,411	356,390			NO	VARIANCE EXPLANATION NOT REQUIRED	
9 Total Fixed Assets plus Other Long Term Investments and	1,120,355	1,133,707	13,352	1.19%	NO		
10 Total Borrowings	546,817	530,447	-16,370	2.99%	NO		

Rounding errors of up to £2 are tolerable

Variances of £200 or less are tolerable

We acknowledge as the members of:

Sandown Town Council

our responsibility for ensuring that there is a sound system of internal control, including arrangements for 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 2020, that:

	Agreed		
	Yes	No*	
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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 authority to conduct its business or manage its finances.	✓		<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>
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.	✓		<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>
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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	N/A
			✓

*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

Monday, 27 July 2020

and recorded as minute reference:

05-20/21(5)

Signed by the Chairman and Clerk of the meeting where approval was given:

Chairman

Clerk

Other information required by the Transparency Codes (not part of Annual Governance Statement)

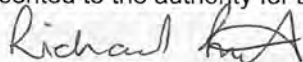
Authority web address

www.sandowntowncouncil.gov.uk

	Year ending		Notes and guidance
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6. (-) All other payments	334,366 334,466	257,412 202,690	<i>Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).</i>
7. (=) Balances carried forward	290,870	341,452 355,689	<i>Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).</i>
8. Total value of cash and short term investments	303,411	356,390 355,729	<i>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.</i>
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		✓	<i>N.B. The figures in the accounting statements above do not include any Trust transactions.</i>

I certify that for the year ended 31 March 2020 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval



Date 27 July 2020

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

Monday, 27 July 2020

as recorded in minute reference:

05-20/21(6.i)

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