

F&GP Committee
10th June 2024

Minutes of the meeting of the Finance and General Purposes Committee of New Milton Town Council held on Monday 10th June 2024 at 6.30 pm in New Milton Town Hall.

Chairman	p	D N Tungate
Vice-Chairman	p	A D O'Sullivan

<u>Councillors:</u>	p	J Adams	p	W Davies
	p	G R Blunden	p	R A Reid
	p	S J Clarke	p	M Scott-Johns
	p	K E Craze		

In Attendance:

Officers:	G Flexman - Town Clerk	
	J Bean - Committee and Civic Administrator	S Welch – Administration Officer

16. INTERNAL AUDIT REPORT FOR 2023/24

The Chairman referred to the Internal Audit Report. The Town Clerk advised that the internal audit had been postponed and will take place later this week, with the report to follow before Town Council. He also advised of some matters raised by the External Auditor, as follows:

- We need to officially confirm Auditing Solutions reappointment and consider the scope of their work following annual review and information received. The Town Clerk said we do not officially reappoint Internal Audit every year, nor solicitors, insurers and accountants. It's an ongoing process, subject to continuous appraisal.
- Additionally, External Auditors BDO have asked us to "confirm that internal audit does not undertake tasks or give advice which may compromise or fetter their independence or invalidate the smaller authority's insurance". The Internal Audit Work Program was issued in 2022 and reviewed during COVID when a lot of audit work was undertaken on-line. Sometimes Internal Audit looks at operational matters.
- External Auditors (BDO) also require confirmation each year that there are "no conflicts of interest between New Milton Town Council and BDO LLP" asking us to "Please ensure this is discussed at a meeting and minuted and evidenced on the form" provided for this purpose. The form is to be signed by the Town Clerk and the Chairman of the Council. As far as we are aware, there are no conflicts of interest between NMTC and BDO LLP, and this will be confirmed at Town Council.

The Chairman asked when the auditors had last been confirmed. Town Clerk advised that this was in 2021/22, his view is that the relationship is ongoing like solicitors or insurers, and it does not need to be confirmed annually. The Chairman suggested that perhaps they could be reconfirmed at the next F&GP meeting.

CONFLICT OF INTEREST WITH BDO LLP

To be completed annually and minuted at a meeting of the smaller authority.

Name of Smaller Authority	
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☐ I confirm that there are no conflicts of interest with BDO LLP.

☐ I confirm the following conflicts of interest (please detail below:

This was confirmed and minuted at the following meeting:

Date of Meeting	Minute Reference

Signed (Clerk/RFO)

Print Name

Signed (Chair)

Print Name

New Milton Town Council

Statements of Accounts

For the year ended 31 March 2024

New Milton Town Council

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New Milton Town Council

Council Information

31 March 2024

(Information current at 24th June 2024)

Chairman

Cllr R. A. Reid

Councillors

Cllr M. Craze (Vice Chairman)

Cllr J. Adams

Cllr J. Baker

Cllr G. R. Blunden

Cllr S. J. Clarke

Cllr K. E. Craze

Cllr S. P. Davies

Cllr W. Davies

Cllr D. E. Hawkins

Cllr P. Moores

Cllr R. Murrow

Cllr A. D. O'Sullivan

Cllr D. A. Rice-Mundy

Cllr V. E. Schooling

Cllr M. Scott-Johns

Cllr K. Trehorn

Cllr D. N. Tungate

Clerk to the Council

Mr G. P. Flexman MBA MSc DMS CILCA

Auditors

BDO LLP

Arcadia House

Maritime Walk

Ocean Village

Southampton

SO14 3TL

Internal Auditors

Auditing Solutions Limited

Clackerbrook Farm

46 The Common

Bromham

Chippenham

Wiltshire

SN15 2JJ

New Milton Town Council
Statement of Responsibilities
31 March 2024

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 (R.F.O.) has the responsibility for the administration of those affairs. At this council that officer is the Clerk to the Council, and
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

The Responsible Financial Officer's Responsibilities

The R.F.O. is responsible for the preparation of the council's Statements of Accounts in accordance with Part 4 of the "Governance and Accountability for Local Councils – A Practitioners Guide (England) (as amended)" (the guide), so far as is applicable to this council, to present a true and fair view of the financial position of the council at 31 March 2024 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 guide.

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 Financial Officer's Certificate

I further certify that the Statements of Accounts present a true and fair view of the financial position of New Milton Town Council at 31 March 2024, and its income and expenditure for the year ended 31 March 2024.

Signed:

Mr G. P. Flexman MBA MSc DMS CiLCA- Clerk to the Council

Date:

New Milton Town Council
Statement of Accounting Policies
31 March 2024

Auditors

The name and address of the External Auditors is provided for information only.

These Statements are not subject to audit and the External Auditors have no responsibility for them.

Accounting Convention

The accounts have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) (FRSSE) issued by the Accounting Standards Board, as applied to Local Councils by part 4 of Governance and Accountability for Local Councils – A Practitioners Guide (England) (the guide). Comparative figures have been restated to conform to the revised formats where appropriate. Certain requirements have been omitted for clarity and simplicity as these statements are not subject to audit. They are produced in support of the council's audited Statement of Accounts contained within the Annual Return Statement of Accounts.

These accounts have been prepared having regard to the fundamental accounting concepts of: Going Concern, Prudence, Accruals, Relevance, Consistency, Reliability, Comparability, Understandability and Materiality.

The accounts have been prepared under the historical cost convention.

Fixed Assets

All expenditure in excess of £1000 (on any one item or group of similar items) on the acquisition, creation or enhancement of fixed assets is capitalised on an accruals basis in the accounts. Expenditure on fixed assets is capitalised, provided that the fixed asset yields benefits to the authority and the services it provides, for a period of more than one year. Fixed assets are valued on the basis recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) and in accordance with the statements of asset valuation principles and guidance notes issued by the Royal Institution of Chartered Surveyors (RICS). The closing balances are stated on the following basis:

land and buildings are included in the balance sheet at Depreciated Replacement Cost (DRC). The DRC basis of valuation requires an estimate of the value of the land in its existing use, together with the current replacement cost of the building and its external works, from which appropriate deductions have been made to reflect the age, condition, economic, functional and environmental obsolescence and other locational factors which might result in the existing building being worth less than a new replacement building,

all other assets are included in the balance sheet at the lower of cost (estimated where not known) or estimated realisable value, except that,

certain community assets are the subject of restrictive covenants as to their use and/or future disposal. Such assets are therefore considered to have no appreciable realisable value and are included at nominal value only.

The surplus or deficit arising on periodic revaluations of fixed assets has been credited or debited to the Revaluation Reserve. Subsequent revaluations of fixed assets are planned at five yearly intervals, although material changes to asset valuations will be adjusted in the interim period, should they occur.

In accordance with Financial Reporting Standard (FRS) 15, depreciation is provided on all operational buildings (but not land), as well as other assets.

New Milton Town Council
Statement of Accounting Policies
31 March 2024

Depreciation Policy

Buildings and leasehold land are depreciated over the shorter of 50 years or the anticipated remaining useful lives on a straight line basis.

Freehold land is not depreciated.

Non Operational Assets (including Investment Properties) are not depreciated.

Vehicles, plant, equipment and furniture are depreciated over 4 to 15 years on a straight line basis.

Play equipment is depreciated over 15 years on a straight line basis.

Infrastructure assets are depreciated over 15 years on a straight line basis.

Community assets are not depreciated because they are of intrinsic or purely nominal value.

Depreciation is accounted for as a Balance Sheet movement only, not through the Income and Expenditure Account.

Grants or Contributions from Government or Related Bodies

Capital Grants

Where a fixed asset has been acquired or improved with the financing either wholly or in part by a grant or contribution from government or a related body, e.g. Sports Council, the amount of the grant has been credited to Deferred Grants Account and carried forward. Grants so credited are released back to revenue over the life of the asset to match, and thereby offset wholly or in part, depreciation charged.

Revenue Grants

Revenue grants are credited to income when conditions attached thereto have been fulfilled and/or equivalent expenditure has been incurred. Grants received in respect of which the conditions have not been fulfilled, or expenditure incurred, are carried forward as deferred revenue grants.

Investments

Investments are included in the balance sheet at historic cost and realised gains or losses are taken into the income and expenditure account as realised. Details are given at notes 13 and 15.

Debtors and Creditors

The revenue accounts of the council are maintained on an accruals basis in accordance with the regulations. 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 regular quarterly and other accounts (e.g. telephones, electricity). This policy is applied consistently each year. Therefore, it will not have a material effect on the year's accounts or on the council's annual budget.

The council reviews the level of its commercial debtors on a regular basis and provisions are made, as required, where the likelihood of amounts proving ultimately collectable is in doubt.

Value Added Tax

Income and Expenditure excludes any amounts related to VAT, as all VAT suffered/collected is recoverable from or payable to HM Revenue and Customs. Any amounts not so recoverable are treated as a separate expense.

New Milton Town Council
Statement of Accounting Policies
31 March 2024

Reserves

The council maintains certain reserves to meet general and specific future expenditure. The purpose of the council's reserves is explained in notes 18 to 21.

Certain reserves are maintained to manage the accounting processes for tangible fixed assets, available for sale investments and retirement benefits. They do not represent usable resources for the council:

Capital Financing Account – represent the council's investment of resources in such assets already made.

Interest Income

All interest receipts are credited initially to general funds.

Cost of Support Services

The costs of management and administration have been apportioned to services on an appropriate and consistent basis.

Pensions

The pension costs that are charged against precept in the council's accounts, in respect of its employees, are equal to the contributions paid to the funded pension scheme for those employees.

These contributions are determined by the fund's actuary on a triennial basis and are set to meet 100% of the liabilities of the pension fund, in accordance with relevant government regulations.

The next actuarial valuation is due on 31st March 2025 and any change in contribution rates as a result of that valuation will take effect from 1st April 2026.

New Milton Town Council
Income and Expenditure Account
31 March 2024

	Notes	2024 £	2023 £
Income			
Precept on District Council		1,246,391	1,186,500
Grants Receivable		2,911	290,644
Rents Receivable, Interest & Investment Income	2	33,372	18,013
Charges made for Services		98,350	128,358
Other Income		18,400	43,099
Total Income		1,399,424	1,666,614
Expenditure			
Direct Service Costs:			
Salaries & Wages		(316,951)	(296,281)
Grant-aid Expenditure		(22,130)	(23,315)
Other Costs	1	(517,428)	(483,987)
Democratic, Management & Civic Costs:			
Salaries & Wages		(290,563)	(281,935)
Other Costs	1	(199,549)	(174,713)
Total Expenditure		(1,346,621)	(1,260,231)
Excess of Income over Expenditure for the year.		52,803	406,383
Exceptional Items			
Profit/(Loss) on the disposal of fixed assets		10	-
Investment Profits		1,179	3,547
Net Operating Surplus for Year		53,992	409,930
STATUTORY CHARGES & REVERSALS			
Capital Expenditure charged to revenue	11	(420,306)	(259,307)
Investments purchased from revenue		(1,214)	(9,684)
Reverse profit on asset disposals		(10)	-
Reverse (Profits) on investment disposals		(1,179)	(3,547)
Transfer from/(to) Earmarked Reserves	21	372,982	(168,027)
(Surplus) for the Year (to) General Fund		4,275	(30,635)
Net (Deficit) for the Year		(368,707)	137,392
The above (Deficit) for the Year has been (funded) for the Year (from) as follows:			
Transfer from/(to) Earmarked Reserves	21	(372,982)	168,027
(Surplus) for the Year (to) General Fund		4,275	(30,635)
		(368,707)	137,392

The council had no other recognisable gains and/or losses during the year.

The notes on pages 12 to 20 form part of these unaudited statements.

New Milton Town Council
Statement of Movement in Reserves
31 March 2024

Reserve	Purpose of Reserve	Notes	2024 £	Net Movement in Year £	2023 £
Capital Financing Account	Store of capital resources set aside to purchase fixed assets	18	2,918,930	298,568	2,620,362
Investment Financing Account	Store of capital resources set aside to purchase investments	19	262,848	3,243	259,605
Usable Capital Receipts	Proceeds of fixed assets sales available to meet future capital investment	20	-	(850)	850
Earmarked Reserves	Amounts set aside from revenue to meet general and specific future expenditure	21	20,298	(372,982)	393,280
General Fund	Resources available to meet future running costs		355,451	4,275	351,176
Total			3,557,527	(67,746)	3,625,273

The notes on pages 12 to 20 form part of these unaudited statements.

New Milton Town Council

Balance Sheet

31 March 2024

	Notes	2024 £	2024 £	2023 £
Fixed Assets				
Tangible Fixed Assets	10		3,447,921	3,156,632
Long Term Assets				
Investments Other Than Loans	13		262,848	259,605
Current Assets				
Debtors and prepayments	14	81,326		65,643
Investments	15	250,000		500,000
Cash at bank and in hand		143,655		310,392
		474,981		876,035
Current Liabilities				
Creditors and income in advance	16	(93,681)		(125,178)
Net Current Assets			381,300	750,857
Total Assets Less Current Liabilities			4,092,069	4,167,094
Deferred Grants	17		(534,542)	(541,821)
Total Assets Less Liabilities			3,557,527	3,625,273
Capital and Reserves				
Capital Financing Reserve	18		2,918,930	2,620,362
Investments Financing Reserve	19		262,848	259,605
Usable Capital Receipts Reserve	20		-	850
Earmarked Reserves	21		20,298	393,280
General Reserve			355,451	351,176
			3,557,527	3,625,273

The Statements of Accounts represent a true and fair view of the financial position of the Council as at 31 March 2024, and of its Income and Expenditure for the year.

These accounts were approved by the Council on 24th June 2024.

Signed:

Cllr R. A. Reid

Chairman

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Mr G. P. Flexman MBA MSc DMS CiLCA

Responsible Financial Officer

Date:

.....

The notes on pages 12 to 20 form part of these unaudited statements.

New Milton Town Council

Cash Flow Statement

31 March 2024

	Notes	2024 £	2024 £	2023 £
REVENUE ACTIVITIES				
<i>Cash outflows</i>				
Paid to and on behalf of employees		(607,799)		(579,304)
Other operating payments		(791,010)		(671,084)
			(1,398,809)	(1,250,388)
<i>Cash inflows</i>				
Precept on District Council		1,246,391		1,186,500
Cash received for services		121,178		184,694
Revenue grants received		2,911		290,644
			1,370,480	1,661,838
Net cash (outflow)/inflow from Revenue Activities	24		(28,329)	411,450
SERVICING OF FINANCE				
<i>Cash inflows</i>				
Interest received		27,965		11,684
Investment Income		5,987		4,839
Net cash inflow from Servicing of Finance			33,952	16,523
CAPITAL ACTIVITIES				
<i>Cash outflows</i>				
Purchase of fixed assets		(452,791)		(265,807)
Purchase of investments		(35,345)		(69,099)
<i>Cash inflows</i>				
Sale of investments		33,281		44,770
Sale of fixed assets		10		-
Capital grant received		32,485		6,500
Net cash (outflow) from Capital Activities			(422,360)	(283,636)
Net cash (outflow)/inflow before Financing			(416,737)	144,337
FINANCING AND LIQUID RESOURCES				
Decrease/(Increase) in money on call			250,000	-
Net cash inflow/(outflow) from financing and liquid resources			250,000	-
(Decrease)/Increase in cash	25		(166,737)	144,337

The notes on pages 12 to 20 form part of these unaudited statements.

New Milton Town Council

Notes to the Accounts

31 March 2024

1 Other Costs Analysis

Other Costs reported in the council's Income and Expenditure Account comprise the following:

Direct Service Costs

	2024	2023
	£	£
Outdoor Sports & Recreation Facilities	163,492	173,894
Community Parks & Open Spaces	120,467	102,115
Allotments	3,070	5,083
Community Safety (Crime Reduction)	5,128	-
Promotion & Marketing of the Area	171,434	169,656
Community Development	67,324	46,309
Roads & Street Furniture	6,931	8,515
Investment Activities	1,712	1,730
Less: Grant-aid Expenditure	(22,130)	(23,315)
Total	517,428	483,987

Democratic, Management & Civic Costs

	2024	2023
	£	£
Corporate Management	154,653	155,434
Democratic Representation & Management	28,124	1,340
Civic Expenses	1,619	209
Mayors Allowance	-	2,181
Members' Allowances	15,153	15,549
Total	199,549	174,713

As reported in the Statement of Accounting Policies, apportionment of central costs is not reflected in the above analysis.

2 Interest and Investment Income

	2024	2023
	£	£
Interest Income - General Funds	27,385	13,174
Investment Income	5,987	4,839
	33,372	18,013

3 Agency Work

During the year the Council undertook no agency work on behalf of other authorities.

During the year the Council commissioned no agency work to be performed by other authorities.

New Milton Town Council

Notes to the Accounts

31 March 2024

4 Related Party Transactions

The council entered into no material transactions with related parties during the year.

5 Audit Fees

The council is required to report and disclose the cost of services provided by its external auditors.

These may be summarised as follows:

	2024	2023
	£	£
Fees for statutory audit services	2,100	2,100
Total fees	2,100	2,100

6 General Power of Competence

With effect from 19th May 2015 New Milton Town Council acquired the right to exercise the General Power of Competence extended to Town and Parish Councils under the Localism Act 2011 by S.I. 2012 No 965 (The Parish Councils (General Power of Competence) (Prescribed Conditions) Order 2012). Therefore, with effect from 19th May 2015 the council no longer exercises the powers conveyed by Section 137 of the Local Government Act 1972 (as amended).

7 Members' Allowances

	2024	2023
	£	£
Members of Council have been paid the following allowances for the year:		
Chairmans Allowance	-	2,181
Members' Allowances	15,153	15,549
	15,153	17,730

8 Employees

The average weekly number of employees during the year was as follows:

	2024	2023
	Number	Number
Full-time	10	10
Part-time	5	4
Temporary	-	2
	15	16

All staff are paid in accordance with nationally agreed pay scales.

New Milton Town Council

Notes to the Accounts

31 March 2024

9 Pension Costs

The council participates in the Hampshire County Council Pension Scheme. The Hampshire County Council Pension Scheme is a defined benefit scheme, but the council is unable to identify its share of the underlying assets and liabilities because all town and parish councils in the scheme pay a common contribution rate.

The cost to the council for the year ended 31 March 2024 was £98,234 (31 March 2023 - £90,748).

The most recent actuarial valuation was carried out as at 31st March 2023, and the council's contribution rate is confirmed as being 21.40% of employees' employees' pay, with effect from 1st April 2026 (year ended 31 March 2024 – 21.40%).

Financial Reporting Standard 17 (FRS17): "Retirement Benefits" sets out accounting requirements for pension costs. For schemes such as Hampshire County Council Pension Scheme, paragraph 9(b) of FRS17 requires the council to account for pension costs on the basis of contributions actually payable to the scheme during the year.

10 Tangible Fixed Assets

	Operational Freehold Land and Buildings	Vehicles and Equipment	Infra-structure Assets	Community Assets	Total
Cost	£	£	£	£	£
At 31 March 2023	4,132,360	1,023,377	257,708	112,442	5,525,887
Additions	387,070	11,194	54,527	-	452,791
At 31 March 2024	4,519,430	1,034,571	312,235	112,442	5,978,678
Depreciation					
At 31 March 2023	(1,559,736)	(664,488)	(145,031)	-	(2,369,255)
Charged for the year	(89,541)	(53,845)	(18,116)	-	(161,502)
At 31 March 2024	(1,649,277)	(718,333)	(163,147)	-	(2,530,757)
Net Book Value					
At 31 March 2024	2,870,153	316,238	149,088	112,442	3,447,921
At 31 March 2023	2,572,624	358,889	112,677	112,442	3,156,632

Although classified as capital expenditure, certain minor equipment purchases are not included in the above as they are not material in overall value.

Fixed Asset Valuation

The freehold and leasehold properties that comprise the council's properties have been valued as at 31st March 2002 by external independent valuers, Messrs Zurich Municipal Insurance. Valuations have been made on the basis set out in the Statement of Accounting Policies, except that not all properties were inspected. This was neither practical nor considered by the valuer to be necessary for the purpose of valuation. Plant and machinery that form fixtures to the building are included in the valuation of the building.

Assets Held under Finance Agreements

The council holds no such assets

New Milton Town Council

Notes to the Accounts

31 March 2024

11 Financing of Capital Expenditure

	2024	2023
	£	£
The following capital expenditure during the year:		
Fixed Assets Purchased	452,791	265,807
	<u>452,791</u>	<u>265,807</u>
was financed by:		
Capital Grants	32,485	6,500
Revenue:		
Capital Projects Reserve	349,000	34,398
Precept and Revenue Income	71,306	224,909
	<u>452,791</u>	<u>265,807</u>

12 Information on Assets Held

Fixed assets owned by the council include the following:

Operational Land and Buildings

- 6 Pavilions at 4 recreation grounds
- Workshop and stores
- Land for new 178 dwelling development

Vehicles and Equipment

- Light Vans
- Play Equipment at 7 sites
- Skate park
- Sundry grounds maintenance equipment
- Sundry office equipment

Infrastructure Assets

- Lighting and Floodlighting
- Trail bollards
- Jubilee Wall
- Multi-use games area
- Other street furniture

Community Assets

- Allotments – 5 sites
- Recreation grounds – 5
- Play areas and open spaces
- War Memorial
- Council Artifacts & Regalia

New Milton Town Council

Notes to the Accounts

31 March 2024

13 Investments

	Investments Other Than Loans
Cost	£
At 01 April 2023	259,605
Additions	35,345
Disposals	(32,102)
At 31 March 2024	<u>262,848</u>
Net Book Value	
At 31 March 2024	<u>262,848</u>
	<u>262,848</u>
At 01 April 2023	<u>259,605</u>
	<u>259,605</u>

At 31 March 2024 the investments included above at a cost of £262,848 had a market value of £312,188 (31 March 2023 - £272,376).

14 Debtors

	2024	2023
	£	£
Trade Debtors	31,483	39,308
VAT Recoverable	19,876	18,072
Prepayments	19,802	1,475
Accrued Income	9,054	5,097
Accrued Interest Income	1,111	1,691
	<u>81,326</u>	<u>65,643</u>

15 Current Asset Investments

	2024	2023
	£	£
CCLA Public Sector Deposit Fund	<u>250,000</u>	<u>500,000</u>
	<u>250,000</u>	<u>500,000</u>

New Milton Town Council

Notes to the Accounts

31 March 2024

16 Creditors and Accrued Expenses

	2024	2023
	£	£
Trade Creditors	30,818	79,240
Other Creditors	262	262
Superannuation Payable	10,233	9,789
V A T Payable	31	-
Payroll Taxes and Social Security	9,675	10,404
Accruals	27,762	11,143
Income in Advance	5,856	5,296
Capital Creditors	9,044	9,044
	<u>93,681</u>	<u>125,178</u>

17 Deferred Grants

	2024	2023
	£	£
Capital Grants Unapplied		
At 01 April	5,551	5,551
Grants received in the year	32,485	6,500
Applied to finance capital investment	<u>(32,485)</u>	<u>(6,500)</u>
At 31 March	<u>5,551</u>	<u>5,551</u>
Capital Grants Applied		
At 01 April	536,270	568,084
Grants Applied in the year	32,485	6,500
Released to offset depreciation	<u>(39,764)</u>	<u>(38,314)</u>
At 31 March	<u>528,991</u>	<u>536,270</u>
Total Deferred Grants		
At 31 March	<u>534,542</u>	<u>541,821</u>
At 01 April	<u>541,821</u>	<u>573,635</u>

Capital Grants are accounted for on an accruals basis and grants received have been credited to Deferred Grants Account. Amounts are released from the Deferred Grants Account to offset any provision for depreciation charged to revenue accounts in respect of assets that were originally acquired with the assistance of such grants.

New Milton Town Council

Notes to the Accounts

31 March 2024

18 Capital Financing Account

	2024	2023
	£	£
Balance at 01 April	2,620,362	2,472,545
Financing capital expenditure in the year		
Additions - using revenue balances	420,306	259,307
Reversal of depreciation	(161,502)	(149,804)
Deferred grants released	39,764	38,314
Balance at 31 March	2,918,930	2,620,362

The Capital Financing Account represents revenue and capital resources applied to finance capital expenditure or for the repayment of external loans. It also includes the reversal of depreciation to ensure it does not impact upon the amount to be met from precept. It does not represent a reserve that the council can use to support future expenditure.

19 Financial Instruments Financing Account

	2024	2023
	£	£
Balance at 01 April	259,605	231,728
Financing Investment Purchases in the year		
Additions - using capital receipts	1,214	59,416
Additions - using revenue balances	34,131	9,684
Disposal of investments	(32,102)	(41,223)
Balance at 31 March	262,848	259,605

The Financial Instruments Financing Account represents revenue and capital resources applied to finance the purchase of Available for Sale Investments, less provisions for losses below the original cost of the applicable investment, and the entries necessary to adjust loans made at less than market rates of interest to a Fair Value as reported in the Balance Sheet. It does not represent a reserve that the council can use to support future expenditure.

20 Usable Capital Receipts Reserve

	2024	2023
	£	£
Balance at 01 April	850	15,496
Capital receipts (investment sales)	34,495	44,770
Capital used to fund expenditure	(35,345)	(59,416)
Balance at 31 March	-	850

The Usable Capital Receipts Reserve represents capital receipts available to finance capital expenditure in future years.

New Milton Town Council

Notes to the Accounts

31 March 2024

21 Earmarked Reserves

	Balance at 01/04/2023	Contribution to reserve	Contribution from reserve	Balance at 31/03/2024
	£	£	£	£
Capital Projects Reserves	262,967	-	(349,000)	(86,033)
Other Earmarked Reserves	130,313	49,985	(73,967)	106,331
Total Earmarked Reserves	393,280	49,985	(422,967)	20,298

The Capital Projects Reserves are credited with amounts set aside from revenue to part finance specific projects which are part of the council's capital programme.

The Other Earmarked Reserves are credited with amounts set aside from revenue to fund specific known commitments of the council.

The Other Earmarked Reserves at 31 March 2024 are set out in detail at Appendix A.

22 Capital Commitments

The council had no capital commitments at 31 March 2024 not otherwise provided for in these accounts.

23 Contingent Liabilities

The council is not aware of any contingent liabilities at the date of these accounts.

24 Reconciliation of Revenue Cash Flow

	2024	2023
	£	£
Net Operating Surplus for the year	52,803	406,383
Add/(Deduct)		
Interest and Investment Income	(33,952)	(16,523)
(Increase)/Decrease in debtors	(15,683)	10,795
(Decrease)/Increase in creditors	(31,497)	10,796
Revenue activities net cash (outflow)/inflow	(28,329)	411,451

New Milton Town Council

Notes to the Accounts

31 March 2024

25 Movement in Cash

	2024	2023
	£	£
Balances at 01 April		
Cash with accounting officers	222	212
Cash at bank	310,170	165,843
	<u>310,392</u>	<u>166,055</u>
Balances at 31 March		
Cash with accounting officers	455	222
Cash at bank	143,200	310,170
	<u>143,655</u>	<u>310,392</u>
Net cash (outflow)/inflow	<u>(166,737)</u>	<u>144,337</u>

26 Post Balance Sheet Events

There are no significant Post Balance Sheet events since the preparation of these accounts, up to the date of their final adoption (on 24th June 2024), which would have a material impact on the amounts and results reported herein.

New Milton Town Council

31 March 2024

Annual Report Tables

Table. 1 – Budget & Actual Comparison

	Budget £	Actual £
Net Expenditure		
Recreation & Sport	20,658	98,225
Open Spaces	57,631	104,468
Community Safety (Crime Reduction)	5,500	5,128
Planning & Development Services (including Markets)	527,415	549,721
Highways Roads (Routine)	1,150	(4,006)
Investment Activities	-	1,712
Net Direct Services Costs	612,354	755,248
Corporate Management	488,037	426,816
Democratic & Civic	29,500	44,896
Net Democratic, Management and Civic Costs	517,537	471,712
Interest & Investment Income	-	(33,372)
Capital Expenditure	150,000	455,651
Proceeds of Disposal of Capital Assets	-	(33,291)
Transfers to/(from) other reserves	-	(373,832)
(Deficit from)/Surplus to General Reserve	(33,500)	4,275
Precept on District Council	1,246,391	1,246,391

New Milton Town Council

31 March 2024

Annual Report Tables

Table. 2 – Service Income & Expenditure

Notes	2024 £	2024 £	2024 £	2023 £
	Gross Expenditure	Income	Net Expenditure	Net Expenditure
CULTURAL & RELATED SERVICES				
Recreation & Sport	163,492	(65,267)	98,225	111,046
Open Spaces	123,537	(19,069)	104,468	(209,311)
ENVIRONMENTAL SERVICES				
Community Safety (Crime Reduction)	5,128	-	5,128	-
PLANNING & DEVELOPMENT SERVICES				
Economic Development (including markets)	488,385	(3,077)	485,308	452,646
Community Development	67,324	(2,911)	64,413	22,063
HIGHWAYS, ROADS & TRANSPORT SERVICES				
Highways Roads (Routine)	6,931	(10,937)	(4,006)	6,407
OTHER SERVICES				
Investment Activities	1,712	-	1,712	1,730
CENTRAL SERVICES				
Corporate Management	445,216	(18,400)	426,816	394,270
Democratic & Civic	28,124	-	28,124	1,340
Civic Expenses	16,772	-	16,772	17,939
Net Cost of Services	1,346,621	(119,661)	1,226,960	798,130



New Milton Town Council

Internal Audit Report 2023-24 (final-update)

Claire Lingard
Consultant Auditor

For and on behalf of
Auditing Solutions Ltd

Background

Statute requires all town and parish councils to arrange for an independent internal audit examination of their accounting records and system of internal control and for the conclusions to be reported each year in the Annual Return.

This report sets out the work undertaken in relation to the Internal Audit process for the 2023-24 financial year: The Interim review took place on the 7th and 8th of November 2023, and is supplemented by the final-update review which took place on the 11th and 12th of June 2024.

Internal Audit Approach

In concluding our review for the year, we have again had regard to the materiality of transactions and their susceptibility to potential mis recording or misrepresentation in the year-end Statement of Accounts contained within the Annual Governance and Accountability Return (AGAR). Our programme of cover is designed to afford appropriate assurance that the Council has appropriate and robust financial systems in place that operate in a manner to ensure effective probity of transactions and to afford a reasonable probability of identifying any material errors or possible abuse of the Council's own and the national statutory regulatory framework. The programme is also designed to facilitate our completion of the 'Internal Audit Report' as part of the Council's AGAR process, which requires independent assurance over a number of internal control objectives.

Overall Conclusions

We have followed up the suggestions and formal recommendations made in our FY2022-23 reports and acknowledge that the members have noted and considered these in their deliberations and have implemented these as appropriate. The Council has continued to make significant business processes and performance improvements particularly in relation to Risk Management & Mitigation, and Document version control and management in line with the Council's currently adopted GDPR policies.

We report that, on the basis of the work undertaken during the 2023-24 financial year, the Council continues to operate robust and effective internal controls in all areas examined to date. Resultantly, only seven recommendations for improvement have been made which are detailed in the main body of this report and the appended Action Plan. We have noted that the six recommendations made during the interim review of this audit cycle have already been implemented in full.

The Clerk/RFO and his team are again to be complimented on the exemplary performance of New Milton Town Council both in terms of its public facing services and its corporate governance and administration.

Once again, we commend the Clerk/RFO, Assistant Clerk and their team for their continued professional management and administration of the Council's finance, governance and delivery functions. As in previous years, the requested audit files and associated documentation were presented for audit in a professional manner by the Clerk/RFO and the Assistant Clerk, making this in-person review a relatively straightforward process.

We ask that Members consider the content of this report and acknowledge that the report has been formally reviewed and adopted by Council.

Detailed Report

Review of Accounting Records & Bank Reconciliations

Our objective here is to ensure that the accounting records are being maintained accurately and currently and that no anomalous entries appear in cashbooks or financial ledgers.

The Council uses the Omega accounting software to maintain its accounting records, which also provides the basis for preparation of the year-end Statement of Accounts and Annual Return.

The Council maintains the public funds under its management in three National Westminster Bank accounts, A Quilter Cheviot Investment Account and a Churches, Councils and Local Authorities Public Sector Deposit Fund (CCLA PSDF).

The services of external contact accountants (DCKs) are employed to maintain the day-to-day accounting records and prepare the year-end detailed Statement of Accounts / Annual Return data. We have to date: -

- Verified that an appropriate cost centre and nominal ledger structure remains in place for 2023-24;
- Agreed the opening Trial Balance in the accounting software for 2023-24 to the closing Financial Statements for 2022-23 to ensure that all the detailed balances have been properly rolled forward;
- Checked and agreed four sample months' receipts and payments transactions (April, September & December 2023, and March 2024) from all NatWest accounts, including the daily "sweep" transfers, to the relevant Omega cash books;
- Noted that the Council continues to maintain a diverse portfolio of investments, to ensure as far as it is possible to do so, that the council's funds are protected whilst generating a reasonable rate of return;
- Noted the contents of the latest Quilter Cheviot investment report covering the period to the 31st of March 2024, showing a slight recovery of losses incurred, and confirming total funds invested in the amount of £312,188.00 (£283,351.00 as at the 30th of September 2023);
- Noted that the Council continues to maintain a CCLA PSDF account with the intention of transferring the half-year Precept payment directly into this account. The Account balance as at the 31st of March 2024 stood at £250,000 (£500,000 as at the 30th of September 2023); and,
- Checked and verified all the Rialtas bank reconciliations, for all the Council's bank and investment accounts for the period of the 1st of April 2023 to the 31st of March 2024 to ensure that there are no long-standing, uncleared items or other another anomalous entries arising.

Conclusion

There are no matters arising during this area of our review warranting further comment or recommendation.

Review of Corporate Governance

Our objective is to ensure that the Council has robust corporate governance documentation and processes in place, and that, as far as we may reasonably be expected to ascertain (as we do not attend Council or Committee meetings) all meetings are conducted in accordance with the adopted Standing Orders and no actions of a potentially unlawful nature have been or are being considered for implementation. We have: -

- Noted that the Council received an Unqualified Audit Certificate from the External Auditors on the 29th of September 2023;
- Reviewed the Full Council and Standing Committee minutes (except Planning) for the financial year to the 31st March 2024 to ensure that no issues affecting the Council's financial stability either in the short, medium or long term exist;
- Noted that the Council last reviewed and re-adopted its revised combined Standing Orders and Financial Regulations at the 26th of June 2023 meeting of the Full Town Council (revision number 17) under minute reference 31;
- Noted that the Council confirmed that it continued to meet the criteria to avail itself of the General Power of Competence, and Resolved to readopt the General Power of Competence for the 2023-24 financial year, during the Annual Meeting of the Town Council on the 15th of May 2023, under Minute reference 9;
- Noted that the Council's official website, hosted on a secure server at: <https://www.newmiltontowncouncil.gov.uk/> (which is being redeveloped as of the date of this final-update review) is fully compliant with the prevailing Accessibility legislation and is very easy for visitors to use and readily access information;
- Noted that in all cases examined, the currently adopted statutory instruments and policy documents are published on the Council's official website;
- Noted that the Council correctly provided the opportunity for the Exercise of Public Rights: The Announcement was dated the 28th of June 2023, for a period of exactly 30 working days, including the first 10 working days in July, from Monday the 3rd of July 2023 to the 11th of August 2023 inclusive;
- Noted that the Council continues to operate a robust Risk Management Strategy. There is clear evidence of Member scrutiny of Risk at the Full Council and its Standing Committees; and,
- Noted that the Clerk/RFO and Assistant Clerk continue to take all reasonable steps to ensure the Council's immediate and ongoing compliance with the General Data Protection Regulation (GDPR). This includes, but is not limited to, arranging secure off-site cloud backup facilities, the ongoing development of new Information & Data Protection and Privacy policies, the provision of dedicated Council e-mail addresses for all council members and administration staff, and the amendment of forms and e-mails to ensure users of the council's services are aware of what data will be retained and the Council's Privacy Policy.

We note that the Council continues to make significant investment into Youth Services, and that the development of the Youth Hub facility at the Ashley Recreation Ground is in the 'snagging' phase with the official opening scheduled to take place in July 2024.

We have concluded the formal review of the Minutes of the Full Council and all its standing committees (with the exception of the Planning Committee which is beyond the remit of the Internal Audit process) and find that Agenda presentation and the recorded Minutes of New Milton Town Council continues to be on an exemplary standard. There is clear evidence that the health and well-being of the New Milton Town Council constituents continues to be at the heart of its Neighbourhood Plan, with the Council's youth services widely regarded to be amongst the best available in the New Forest.

Additionally, the play and recreation areas in the Council's control provide sports and leisure facilities for all age groups within the town. All these facilities have been subject to regular risk review during the ongoing public health situation as detailed later in this report.

The Council continues to support several initiatives promoting local business and shopping areas, including award winning spring and summer floral displays and the Christmas Lights. Additionally, the Council now manages the "Go New Milton" website which promotes local shops and businesses.

In relation to the Council's forward planning, we note that the Clerk/RFO and Members have made all reasonable and proportionate efforts to implement the recommendations made in our prior year reports and continue to undertake a thorough budgetary process (which is commented on later in this report) focusing on the provision of services to constituents, the promotion of New Milton as a shopping destination and business friendly town.

The Clerk & Members have continuously demonstrated a prudent approach to financial management and its operational targets have been largely met, with major new projects, as mentioned above, completed on time and on budget during the 2023-24 financial year.

Conclusions

There are no matters arising in this area of review warranting formal comment or recommendation. The Clerk/RFO, Members and Administration Team are to be commended on the delivery of the new Youth Hub facility, on time and on budget in such challenging economic environment, which is a credit to the administrative skills of the Executive Committee and the Council's Management infrastructure as a whole.

Review of Expenditure

Our aim here is to ensure that: -

- Council resources are released in accordance with the Council's approved procedures and budgets;
- Payments are supported by appropriate documentation, either in the form of an original trade invoice or other appropriate form of document confirming the payment as due and/or an acknowledgement of receipt, where no other form of invoice is available;
- An official order has been raised for all purchases and service delivery where one would be expected;
- All discounts due on goods and services supplied are identified and appropriate action taken to secure the discount;
- The correct expense codes have been applied to invoices when processed; and

- VAT has been appropriately identified and coded to the control account for periodic recovery.

We have Concluded our examination of payments for compliance with the above criteria, selecting an initial sample of 51 payments during the interim review, and extending this by another 621 payment documents during the year-end review, 113 payment documents were checked and verified, in total for the 2023-24 financial year to the 31st of March 2024, comprised of all non-payroll related payments individually above £3,000, together with every 30th cashbook transaction (irrespective of value), and totalling £672,797.77 and equating to approximately 41% of all non-pay related expenditure processed to the above date with no issues arising.

Finally, in this area of our review, we have checked and verified all four quarterly VAT reclaims for the 2023-24 financial year, ensuring that these were correctly submitted in accord with the Omega control record and properly disclosed in the year-end accounting statements, with no issues arising.

Conclusions

There are no matters arising in this area of our review warranting further comment or recommendation. We commend the Clerk/RFO and Administration Team on the quality of the Council's financial management and administration which we consider to be exemplary.

Review of Assessment and Management of Risk

Our aim here is to ensure that the Council has put in place appropriate arrangements to identify all potential areas of risk of both a financial and health and safety nature, whilst also ensuring that appropriate arrangements exist to monitor and manage those risks in order to minimise the opportunity for their coming to fruition. Consequently, we:

- Noted that the Council's insurance cover continues to be provided by Zurich under a 'Select for Local Councils Policy' on a long term agreement to reduce costs.

The current year's policy schedule running to 31st of March 2026 is as follows:

Policy number: YLL-272009-6773

Term of cover: 14th of April 2023 to the 31st of March 2024

Key features

- Public Liability £15M
- Employers Liability £10M
- Fidelity Guarantee £2M
- Hirers' Liability £2M
- Plant Protection £500K
- Liable & Slander £250K
- Personal Accident £2M per incident / £500k per person
- Legal Expenses £200k

We consider the above appropriate for the Council's immediate requirements.

- Noted that the Council's Risk Management Strategy remains robust with a dynamic approach to Risk Management with Risk Registers reviewed on an ongoing basis throughout the year and governed by an umbrella Health & Safety policy;

- Noted the Council's Risk Strategy. Received a report from the Town Clerk that 2 items regarding a moderate and minor risk would be added to the register in relation to the Council's Investment Risks, at the 7th of August 2023 meeting of the Full Town Council under Minute Reference 44;
- Noted that the Council's Risk Registers were reviewed and readopted at the 26th of June 2023 meeting of the Finance & General Purposes Committee under Minute Reference 25;
- Noted that the Council's Risk Registers have been subject to further review and were endorsed for the 2024-25 financial year at the 11th of March 2024 meeting of the Finance & General Purposes Committee, under Minute reference 106, then Approved and Adopted at the 25th March 2024 Full Council meeting, under Minute reference 120;
- Reviewed the Council's arrangements for the regular inspection of playgrounds and recreational areas, noting that Vitaplay now inspects the playgrounds and recreational areas on a fortnightly basis, making recommendations for replacement, repair and general maintenance. Additionally, the Council's play areas, MUGA and skatepark are visually inspected weekly by members of the Estates Team who have been trained and are qualified to carry out weekly visual inspections. These inspections are recorded, and hard copies kept on file and also electronically stored in their own folder on the Town Council shared drive.

Any minor repairs required as a result of inspections are carried out by the Council's nominated and certified sub-contractor 'Vitaplay'. Any equipment or area deemed to be in need of a major repair and/or presents a potential health and safety risk is taken out of service immediately until a full repair can be undertaken.

All play areas, the MUGA and Skatepark are fully inspected annually, usually during July, by the Play Inspection Company.

Finally, in this area of our review and as an adjunct to the above, we have noted that the Town Council now organises and holds Play Inspector Courses carried out by qualified instructors. These courses are open to employees of other government and not for profit entities. To date, New Milton Town Council has hosted course delegates from organisations including New Forest District Council, Lymington, Pennington Town Council, Horsham Town Council, Warminster Town Council, and the Fleet Air Arm Museum Yeovilton.

This training process continues to enable New Milton Town Council to train members of the Estates Team at net neutral cost, as the course fees have been offset by the income received from running the course, which is a benefit both to the Council and its Constituents and is, in this auditor's opinion, an exemplary initiative.

Conclusions & Recommendations made during the Interim review

RISK MANAGEMENT

Whereas there are no matters arising in this area of our review warranting formal comment or recommendation due to the Council's operations in relation to Risk Management, which I consider to be exemplary, a significant matter has arisen which could have seriously impacted the Council, its employees and Members which I must draw attention to:

A recent event, being organised by a local charity required a full and formal Risk Assessment to be undertaken prior to the event being authorised by the Town Council. On examining the Risk Assessment which was provided it became apparent that no proper Risk Assessment for the

event had been undertaken, rather a Risk Assessment for “Milford on Sea Arts & Music Festival 2013”. The spreadsheet records that the assessment provided to support the event scheduled for November 2023 at New Milton, was in fact undertaken on the 27th of November 2012, for activities that cannot, in any respect whatsoever, be regarded as substantially similar.

For the avoidance of doubt, I must inform the Clerk/RFO and Members that should the event have gone forward, and an unfortunate incident have occurred, that the Council as the landowners and Members could potentially have been found to be guilty of corporate negligence, or in a worst case scenario, even criminally negligent as no proper Risk Assessment had been undertaken.

As stated earlier in this report, there is clear evidence that New Milton Town Council, its Clerk/RFO, Estates & Facilities Manager, Members and Staff to pay close attention to Risk Management and the Mitigation of Risk throughout the records and culture of the Council. Risk Management, a critical aspect of all Council operations, is now a continuous professional requirement rather than a task that can be managed on an ‘as and when’ basis.

To this end, I strongly suggest that the Council appoints a professional Risk Management Consultancy to assist it in developing its current Risk Strategy, live and special events Risk Assessments to avoid any recurrence of the matter that arose recently.

- R1. Members should instruct the Clerk/RFO and the Estates and Facilities Manager to seek quotations for / go to tender for a professional Risk Management Consultancy to assist it in developing its existing Risk Strategy, Risk Registers and associated documentation. Implemented.*
- R2. Henceforth, the Clerk/RFO, Estates and Facilities Manager must create and issue a Risk Assessment proforma to any organisation wishing to hold an event on Council property. This Risk Assessment must be fully completed, submitted with all required supporting documentation, (such as insurance documentation, confirmation of attendance by St. John’s Ambulance, other professionally trained staff for example), prior to Council approval for an event is awarded. Implemented.*

PLAYGROUNDS & RECREATION AREAS

The Council has an excellent inspection, repair and replacement regime in place in relation to its playgrounds and recreation areas. I draw the Council’s attention to the fact that litigation in relation to alleged and actual injuries in playgrounds is increasing and becoming increasingly vexatious.



BLACKHILL ROAD
Poole
Dorset
BH16 6NL
01202 590675

6 - Low Risk (Finding 10)			
Item:	Swings - 2 Bay 2 Flat 1 Cradle Seat	Risk Level:	L - Low Risk
Manufacturer:	Spiel Art	Surface:	Bonded Rubber Mulch
			
Finding: There is some evidence of rot in the timber		Action: Monitor for any further deterioration and replace as required	

0 - Risk Assessment not Undertaken (Finding 11)			
Item:	Swings - 2 Bay 2 Flat 1 Cradle Seat	Risk Level:	N - Risk Assessment not Undertaken
Manufacturer:	Spiel Art	Surface:	Bonded Rubber Mulch
			
Finding: The inspector has some concerns about the internal condition of the timber and was unable to verify the structural integrity without further testing. We recommend a Resi-PD survey to establish the condition of the timber at it's core.		Action: Contact the Play Inspection Company office for further information	

During this review I have noted the Play Inspection company, independent inspection report concerning the Long Meadow Play Area, which was opened in April 2012 and is of timber construction.

Although it has been given a low overall risk score during the last annual inspection carried out in August, there are concerns about possible degradation of the timber which requires further investigation. The area looks dilapidated, and the Estates & Facilities Manager advises me that several pieces of equipment are out of service for safety reasons.

*R3. The Clerk/RFO, Estates and Facilities Manager should review this play facility and draft a repair/replacement/removal strategy for scrutiny and onward endorsement/approval by Members of the appropriate Standing Committee and the Full Council. **Implemented.***

Review of Budgetary Control & Reserves

Our objective here is to ensure that the Council has a robust procedure in place for identifying and approving its future budgetary requirements and level of precept to be drawn down from New Forest District Council: also, that an effective reporting and monitoring process is in place. We also aim to ensure that the Council retains appropriate funds in general and earmarked reserves to finance its ongoing spending plans, whilst retaining appropriate sums to cover any unplanned expenditure that might arise. We have:-

- Noted that the Council's actual expenditure to the 31st of March 2024 is broadly in line with its budgetary projections for the financial year;

- Noted that the Council has once again conducted a robust Budget setting and Precept determination process, against a pre-agreed schedule of planning and review meetings. This resulted in the Budget and Precept for the 2024-25 financial year being Endorsed at the Finance & General Purposes Committee of the 12th of December 2023, under Minute reference 72, where Committee Members Endorsed the 2024-25 Budget of £1,358,929 and recommended that this be Approved and Adopted, along with a Precept of £1,325,429 (using £33,500 from the General Reserves) by the Full Town Council;
- Noted that the Budget and Precept were subsequently Approved and Adopted at the Full Town Council Meeting of the 2nd of January 2024, under Minute reference 87, where Members Resolved to Approve that the 2024-25 financial year budget be established in the amount of £1,358,929 and the Precept in the amount of £1,325,429;
- As at the 31st of March 2024 the Council held nine properly constituted earmarked reserves in the amount of £20,298;
- The Council's retained reserves at 31st of March 2024 stood at £375,749 (*810,392 prior-year*) including £20,298 (*£393,280 prior-year*) in earmarked reserves leaving a General Reserve balance of £355,451 (*£351,176 prior-year*).

This equates to approximately three months expenditure reserves based on the average monthly expenditure during the 2023-24 financial year. This sits at the lower range the current CiPFA (Chartered Institute of Public Finance Accountants) guidance to retain between three and six months of prior-year average monthly revenue expenditure as General Reserve Funds;

- Finally, in this area of review, we have checked and verified the Clerk/RFO's variance report noting that there are no significant variances requiring further investigation or explanation; and,
- We note that members continue to be provided with detail of the current budgetary performance at the monthly meetings of the Finance & General Purposes Committee.

Conclusion

There are no matters arising in this area review warranting formal comment or recommendation.

Review of Income

In considering the Council's income streams, we aim to ensure that robust systems are in place to ensure the identification of all income due to the Council from its various sources, to ensure that the invoice is submitted in a timely manner and that effective procedures are in place to pursue recovery of any outstanding monies due to the Council. We note that, in addition to the Precept, the Council continues to receive income from a variety of sources including sports field hire, allotment rents, property leases, market stall rents, investment interest, recovered VAT, sundry wayleaves, sponsorship, grants and CIL monies.

We have:

- Noted that the Council undertook a formal review of its fees and charges during the prior-year budget setting process, with increases approved accordingly for the 2023-24 financial year;

- Checked and Verified all receipts recorded in Cashbook 1 to the corresponding Bank Statements for the financial year from the 1st of April to the 31st March 2024;
- We have reviewed all invoices and receipts pertaining to Sales Receipts as entered on Cashbook 1, for the financial year from the 1st of April 2023 to the 31st March 2024, ensuring that the fees charged were in accord with the published scales with no undue delays identified in settlement by customers;
- Reviewed the Sales Ledger for aged debt and any anomalous entries; and,
- We have reviewed the way in which cash and cheque receipts are recorded for banking for the financial year to 31st March 2024 with no issues arising.

Conclusions and recommendations made during the Interim Audit

We have reviewed all the sales invoices issued by the Council from the 1st of April to the 30th of September 2023. Whereas all the fees were charged correctly only 8 of the 25 invoices raised to the 30th of September 2023 were compliant with VAT invoice standards. One invoice was incorrectly addressed to an organisation that did not correspond to the organisation recorded in the Sales Ledger. Sixteen invoices contained only an abbreviation of the Client's name.

Further, Credit Notes are being issued as a balancing charge, rather than being applied as a journal. And different invoice sequences are being applied for different perceived 'types' of invoice.

Year-end review: We have reviewed the sales invoices from the 1st of October 2023 to the 31st March 2024 noting that the issues recorded above have no been resolved.

We advise the following:

- R4. ***All invoices issued by the Council must contain the full name and business address of the Client as the invoices are formal business documents and are used to support the Council's VAT reclaim. Implemented.***
- R5. ***It is considered Best Practice to apply credits to the Sales Ledger by processing a journal. Not by applying a balancing entry. Implemented.***
- R6. ***There should be a single invoice number sequence; 10001, 10002, 10003 etc., there should not be any differentiation in invoice types as this is recorded in the account code and cost centre in Omega. Implemented.***

Review of Petty Cash Accounts

The Council operates a limited petty cash account, topped up "as and when" with periodic cash (ATM) re-imbursements (generally of £250 each). The DCK contractor maintains appropriate Excel based control sheets to analyse the expenditure for posting to Omega.

We have checked and agreed four sample month's transactions, April, September & December 2023 and March 2024, to ensure that each payment was supported by relevant supplier invoices / till receipts and that the expenditure was appropriate for the Council's activities with no issues arising. To this end, we have checked and verified the DCK produced and approved Petty Cash reconciliation reports, which have been endorsed in the Management Accounts by the F&GP Committee and which have been certified by the Clerk/RFO.

We have checked and verified the 31st of March 2024 Petty Cash reconciliation, in the amount of £454.27, which has been certified by the Clerk/RFO with no matters arising.

Conclusions

There are no matters arising in this area of our review warranting formal comment or recommendation.

Review of Salaries

In examining the Council's payroll function, we aim to confirm that extant legislation is being appropriately observed as regards adherence to the Employee Rights Act 1998 and the requirements of HM Revenue and Customs (HMRC) legislation as regards the deduction and payment over of income tax and NI contributions, together with meeting the requirements of the LGPS (further revised with effect from 1st April 2020 as regards employee contribution percentage bandings).

The Council continues to outsource the production of its monthly payroll to its contractor accountants; we have examined the September 2023 payroll, which included payroll payments to councillors in relation to their emolument payments, the grounds and office staff. We have: -

- Noted that the Council's payroll function continues to be outsourced to DCK Accounting Solutions;
- Ensured that the Council has approved employee pay rates for the Financial Year, ensuring that these were correctly applied;
- Ensured that appropriate PAYE tax codes are being applied to both employees and members' allowances;
- Checked and verified all Timesheets for the September 2023 pay period had been correctly tabulated, transcribed and authorised and that the corresponding variable pay had been paid at the correct overtime rate;
- Ensured that NI deductions were computed accurately based on the current "tables";
- Ensured that the correct percentage superannuation deductions, based on the revised LGPS, are being applied where appropriate; and,
- Verified that net salary payments have been made to staff appropriately and been recorded accurately in the accounting records, noting that all salary and members' allowance payments continue to be made by BACS.

Conclusions

There are no matters arising in this area of our review warranting formal comment or recommendation.

Review of Fixed Asset Registers

The Governance and Accountability Manual requires all Councils to develop and maintain a comprehensive register of all assets owned and leased by the Council. In this area, we aim to ensure that such a register is in place and contains all the basic information that should, ideally, be embodied in the records.

We have previously noted that a very detailed register of the Council's land, properties and other assets is maintained, and this continues to be the case for the current year. Additionally, for the purposes of the Statements of Account and Annual Return, reliance is placed upon the schedules prepared by the contract accountants, and we have during this final update review, been provided with copies of the schedules for 2023-24 financial year.

During the prior year Final Update Internal Audit, we certified that the Council's Fixed Asset Register accurately recorded all acquisitions and disposals during the 2023-24 financial year declaring a total value of £5,978,678 (£5,785,492 prior-year).

Review of Investments and Loans

We have noted that the Council continues to maintain a detailed Investment Strategy and policy.

Account	Cashbook Number	Reconciled balance as at 31.03.24
Current Account	CB1	£2,500.00
First Reserve Account 1	CB2	£167.33
Business Reserve Account 2	CB3	£10,576.12
Special Interest Bearing Account 3	CB5	£116,476.57
Quilter Cheviot £ Sterling Cap Acc	N/A	£13,479.70
Subtotal		£129,720.02
Petty cash balance 31.03.24	N/A	£454.72
Total Cash at bank & in hand at 31.03.24		£130,174.74

As at the 31st March the Council held funds, totalling £130,174.74 as indicated in the table above, (£298,559.00 as at the 31st March 2023). The detail of each account has been checked and verified against the prime documentation, i.e. bank statements as at the 31st of March 2024, cashbook entries and corresponding bank reconciliations.

The Council also holds a share portfolio investment with Quilter Cheviot which as of the 31st of March 2024 held a market value of £312,188.00.

We note that Quilter Cheviot continues to utilise Investment Income in addition to Sale Proceeds to purchase further investments. Whilst this appears to be within their remit to do so, the action does take control of the investment decision making process away from the Clerk/RFO and Members and does create further sums, the use of which will be restricted by Capital Accounting Regulations when the Investment Portfolio is finally liquidated.

Noted that the Council maintains a CCLA Public Sector Deposit Fund (PSDF) account, opened on the 17th of September 2021, and that the funds balance as at the 31st of March 2024 stood at £250,000 with dividends being paid directly into the Council's current account. We note that the CCLA continues to outperform the majority of investments open to councils.

We are advised by the Clerk/RFO that the level of the Council's banked funds and its investments are regularly reviewed at the Finance & General Purposes Committee.

The Council has no loans repayable by or to it currently.

Conclusion and recommendation made during the Interim review

We note that once again, the Quilter Cheviot account has not performed as originally anticipated and all dividends achieved are automatically reinvested. We further note that the Council's CCLA PSDF account continues to significantly outperform the Quilter Cheviot

investment. With the current geopolitical situation and uncertainty in financial markets I suggest, once again, that the Clerk/RFO and Members reviews all its investments, and particularly the funds invested with Quilter Cheviot.

R7. The Clerk/RFO and Members should expeditiously review its current investment with Quilter Cheviot, and its other investments, to ensure that, as far as is practicably possible, that the poorly performing investments transferred into more performant organisations.

Statement of Accounts and Annual Return

As noted elsewhere in this report, the Council continues to engage the services of third-party accountancy contractors for its year-end closedown processes, together with the preparation of the detailed annual financial Statements of Accounts and Annual Return data.

As recorded in previous years' final reports, the Annual Return provides the Council's statutory Statements of Account subject to external audit certification. We also note, however, that more detailed Accounts and Supplementary Notes (based on the FRSSE format) have again been prepared for presentation to members in order to further inform them of the underlying financial performance of the Council and provide comparative information with the previous year.

We have checked and agreed, by reference to the accounting system's closing Trial Balance and other relevant documents, the content of the Statement of Accounts and the supporting notes, detail of which is transferred to Section 2 of the Annual Return.

We have also reviewed the procedures in place for identifying year-end debtors, creditors and accruals and agreed the detailed values recorded in the year-end Balance Sheet to the underlying records with no long-standing unpaid accounts or other issues arising.

Conclusion

We are pleased to record that there are no matters arising in this area of our review warranting formal comment or recommendation and, on the basis of the work undertaken during the course of our review for the year, we have "signed off" the Internal Audit Certificate in the Annual Return assigning positive assurances in all areas.

-o0o-

NOTE TO REPORT

We confirm that all confidential & sensitive information, supplied for the purposes of this audit including, Personnel Minutes, Payroll and Employment data have been permanently deleted from Auditing Solutions Ltd.'s servers and any printouts made for the purposes of this audit have been destroyed in accordance with the Company's data and document retention policies and with the prevailing General Data Protection Legislation.

Rec. Recommendations No.		Response
Review of Assessment & Management of Risk		
R1	Members should instruct the Clerk/RFO and the Estates and Facilities Manager to seek quotations for / go to tender for a professional Risk Management Consultancy to assist it in developing its existing Risk Strategy, Risk Registers and associated documentation.	R1. Seeking quotations for such work, and training staff may also be appropriate.
R2	Henceforth, the Clerk/RFO, Estates and Facilities Manager must create and issue a Risk Assessment proforma to any organisation wishing to hold an event on Council property. This Risk Assessment must be fully completed, submitted with all required supporting documentation, (such as insurance documentation, confirmation of attendance by St. John's Ambulance, other professionally trained staff for example), prior to Council approval for an event is awarded.	R2. Risk Assessments template will be issued for all events for due diligence purposes and will be independently assessed by New Milton Town Council.
R3	The Clerk/RFO, Estates and Facilities Manager should review this play facility and draft a repair/replacement/removal strategy for scrutiny and onward endorsement/approval by Members of the appropriate Standing Committee and the Full Council.	R3. Budget item of £50k for replacement playground at Long Meadow, a possibility.
Review of Income		
R4	All invoices issued by the Council must contain the full name and business address of the Client as the invoices are formal business documents and are used to support the Council's VAT reclaim.	R4. Agreed, some sales invoices that were emailed only showed email addresses.
R5	It is considered Best Practice to apply credits to the Sales Ledger by processing a journal. Not by applying a balancing entry.	R5. Raising credit notes is best practice and provides an easy-to-follow audit trail.
R6	There should be a single invoice number sequence; 10001, 10002, 10003 etc., there should not be any differentiation in invoice types as this is recorded in the account code and cost centre in Omega.	R6. Rent invoices start with a "R" for easy identification and are easy to follow.
Review of Investments & Loans		
R7	The Clerk/RFO and Members should expeditiously review its current investment with Quilter Cheviot, and its other investments, to ensure that, as far as is practicably possible, that the poorly performing investments transferred into more performant organisations.	R7. Subject to Investment Strategy Review at July 2024 F&GP Meeting.

Annual Governance and Accountability Return 2023/24 Form 3

To be completed by Local Councils, Internal Drainage Boards and other Smaller Authorities*:

- where the higher of gross income or gross expenditure exceeded £25,000 but did not exceed £6.5 million; or
- where the higher of gross income or gross expenditure was £25,000 or less but that:
 - are unable to certify themselves as exempt (fee payable); or
 - have requested a limited assurance review (fee payable)

Guidance notes on completing Form 3 of the Annual Governance and Accountability Return 2023/24

1. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 **must** complete Form 3 of the Annual Governance and Accountability Return at the end of each financial year in accordance with *Proper Practices*.
2. The Annual Governance and Accountability Return is made up of three parts, pages 3 to 6:
 - The Annual Internal Audit Report **must** be completed by the authority's internal auditor.
 - **Sections 1 and 2** **must** be completed and approved by the authority.
 - **Section 3** is completed by the external auditor and will be returned to the authority.
3. The authority **must** approve Section 1, Annual Governance Statement, before approving Section 2, Accounting Statements, and both **must** be approved and published on the authority website/webpage **before 1 July 2024**.
4. An authority with either gross income or gross expenditure exceeding £25,000 or an authority with neither income nor expenditure exceeding £25,000, but which is unable to certify itself as exempt, or is requesting a limited assurance review, **must** return to the external auditor by email or post (not both) **no later than 30 June 2024**. Reminder letters will incur a charge of £40 +VAT:
 - the Annual Governance and Accountability Return Sections 1 and 2, together with
 - a bank reconciliation as at 31 March 2024
 - an explanation of any significant year on year variances in the accounting statements
 - notification of the commencement date of the period for the exercise of public rights
 - Annual Internal Audit Report 2023/24

Unless requested, do not send any additional documents to your external auditor. Your external auditor will ask for any additional documents needed.

Once the external auditor has completed the limited assurance review and is able to give an opinion, the Annual Governance and Accountability **Section 1, Section 2 and Section 3 – External Auditor Report and Certificate** will be returned to the authority by email or post.

Publication Requirements

Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website/webpage:

Before 1 July 2024 authorities **must** publish:

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited;
- **Section 1 - Annual Governance Statement 2023/24**, approved and signed, page 4
- **Section 2 - Accounting Statements 2023/24**, approved and signed, page 5

Not later than 30 September 2024 authorities **must** publish:

- Notice of conclusion of audit
- **Section 3 - External Auditor Report and Certificate**
- **Sections 1 and 2 of AGAR** including any amendments as a result of the limited assurance review. It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.

The Annual Governance and Accountability Return constitutes the annual return referred to in the Accounts and Audit Regulations 2015. Throughout, the words 'external auditor' have the same meaning as the words 'local auditor' in the Accounts and Audit Regulations 2015.

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

Guidance notes on completing Form 3 of the Annual Governance and Accountability Return (AGAR) 2023/24

- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this AGAR. *Proper Practices* are found in the *Practitioners' Guide** which is updated from time to time and contains everything needed to prepare successfully for the financial year-end and the subsequent work by the external auditor.
- Make sure that the AGAR is complete (no highlighted boxes left empty) and is properly signed and dated. Any amendments must be approved by the authority and properly initialled.
- The authority **should** receive and note the Annual Internal Audit Report before approving the Annual Governance Statement and the accounts.
- Use the checklist provided below to review the AGAR for completeness before returning it to the external auditor by email or post (not both) no later than 30 June 2024.
- The Annual Governance Statement (Section 1) must be approved on the same day or before the Accounting Statements (Section 2) and evidenced by the agenda or minute references.
- The Responsible Financial Officer (RFO) must certify the accounts (Section 2) before they are presented to the authority for approval. The authority must in this order; consider, approve and sign the accounts.
- The RFO is required to commence the public rights period as soon as practical after the date of the AGAR approval.
- You must inform your external auditor about any change of Clerk, Responsible Financial Officer or Chair, and provide relevant authority owned generic email addresses and telephone numbers.**
- Make sure that the copy of the bank reconciliation to be sent to your external auditor with the AGAR covers all the bank accounts. If the authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree the bank reconciliation to Box 8 on the accounting statements (**Section 2, page 5**). An explanation **must** be provided of any difference between Box 7 and Box 8. More help on bank reconciliation is available in the *Practitioners' Guide**.
- Explain fully significant variances in the accounting statements on **page 5**. Do not just send a copy of the detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete numerical and narrative analysis to support the full variance.
- If the bank reconciliation is incomplete or variances not **fully** explained then additional costs may be incurred.
- Make sure that the accounting statements add up and that the balance carried forward from the previous year (Box 7 of 2023) equals the balance brought forward in the current year (Box 1 of 2024).
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the commencement date for the exercise of public rights of 30 consecutive working days which **must** include the first ten working days of July.
- The authority **must** publish on the authority website/webpage the information required by Regulation 15 (2), Accounts and Audit Regulations 2015, including the period for the exercise of public rights and the name and address of the external auditor **before 1 July 2024**.

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
All sections	Have all highlighted boxes have been completed?		
	Has all additional information requested, including the dates set for the period for the exercise of public rights , been provided for the external auditor?		
Internal Audit Report	Have all highlighted boxes been completed by the internal auditor and explanations provided?		
Section 1	For any statement to which the response is 'no', has an explanation been published?		
Section 2	Has the Responsible Financial Officer signed the accounting statements before presentation to the authority for approval?		
	Has the authority's approval of the accounting statements been confirmed by the signature of the Chair of the approval meeting?		
	Has an explanation of significant variations been published where required?		
	Has the bank reconciliation as at 31 March 2024 been reconciled to Box 8?		
	Has an explanation of any difference between Box 7 and Box 8 been provided?		
Sections 1 and 2	Trust funds – have all disclosures been made if the authority as a body corporate is a sole managing trustee? NB: do not send trust accounting statements unless requested.		

**Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices*, can be downloaded from www.nalc.gov.uk or from www.ada.org.uk

Annual Internal Audit Report 2023/24

NEW MILTON TOWN COUNCIL

ENTER PUBLIC WEBSITE ADDRESS **newmiltontowncouncil.gov.uk**

During the financial year ended 31 March 2024, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2023/24 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	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 bank account reconciliations were properly carried out during the year.	✓		
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 2022/23, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2022/23 AGAR tick "not covered")</i>			✓
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	✓		
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations <i>(during the 2023-24 AGAR period, were public rights in relation to the 2022-23 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set)</i> .	✓		
N. The authority has complied with the publication requirements for 2022/23 AGAR <i>(see AGAR Page 1 Guidance Notes)</i> .	✓		
O. (For local councils only)	Yes	No	Not applicable
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

Name of person who carried out the internal audit

07/08/2023 08/11/2023 11/09/2024

CV LINGARD FOR AUDITING SOLUTIONS

Signature of person who carried out the internal audit

Clive Lingard

Date

12/06/2024

*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, the annual internal audit report must explain why not (add separate sheets if needed).

Section 1 – Annual Governance Statement 2023/24

We acknowledge as the members of:

NEW MILTON 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 2024, 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.	✓		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 authority to conduct its business or manage 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 authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		considered and documented the financial and other risks it faces and 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 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	N/A
	✓		has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.

***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:

24/06/2024

and recorded as minute reference:

MINUTE REFERENCE

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

Chair

SIGNATURE REQUIRED

Clerk

SIGNATURE REQUIRED

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Section 2 – Accounting Statements 2023/24 for

NEW MILTON TOWN COUNCIL

	Year ending		Notes and guidance
	31 March 2023 £	31 March 2024 £	
1. Balances brought forward	628,111	750,857	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	1,186,500	1,246,391	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	531,054	192,824	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	-587,217	-607,798	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.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	-1,016,591	-1,200,974	Total expenditure or payments as recorded in the cash-book less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	750,857	381,300	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	810,392	393,655	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	5,785,492	6,241,526	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	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

For Local Councils Only	Yes	No	N/A	
11a. Disclosure note re Trust funds (including charitable)	✓			The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.
11b. Disclosure note re Trust funds (including charitable)			✓	The figures in the accounting statements above exclude any Trust transactions.

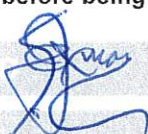
I certify that for the year ended 31 March 2024 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' 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

SIGNATURE REQUIRED

Date

24/06/2024



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

24/06/2024

as recorded in minute reference:

MINUTE REFERENCE

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

SIGNATURE REQUIRED

Section 3 – External Auditor’s Report and Certificate 2023/24

In respect of

NEW MILTON TOWN COUNCIL

1 Respective responsibilities of the auditor and the authority

Our responsibility as auditors to complete a **limited assurance review** is set out by the National Audit Office (NAO). A limited assurance review is **not a full statutory audit**, it does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and hence it **does not** provide the same level of assurance that such an audit would. The UK Government has determined that a lower level of assurance than that provided by a full statutory audit is appropriate for those local public bodies with the lowest levels of spending.

Under a limited assurance review, the auditor is responsible for reviewing Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with NAO Auditor Guidance Note 02 (AGN 02 as issued by the NAO on behalf of the Comptroller and Auditor General. AGN 02 is available from the NAO website – <https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/> .

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

- summarises the accounting records for the year ended 31 March 2024; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

2 External auditor’s limited assurance opinion 2023/24

(Except for the matters reported below)* on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation 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 authority:

(continue on a separate sheet if required)

3 External auditor certificate 2023/24

We certify/do not certify* that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2024.

*We do not certify completion because:

External Auditor Name

ENTER NAME OF EXTERNAL AUDITOR

External Auditor Signature

SIGNATURE REQUIRED

Date

DD/MM/YYYY



Appendix 5

Town Development Manager Report For Town Council Meeting 24th June 2024

1. *Neighbourhood Plan Review*

The Action Plan for New Milton's Neighbourhood Plan review has now gone live on the Town Council website. The Action Plan outlines the desired aims the council are looking to achieve via the review. It sets out the Neighbourhood Plan's current policies and any we look to update, along with environmental additions. The Action Plan along with the Project Plan, can be found on the Neighbourhood Plan page of the website. Further funding for the review has been applied for via Locality's scheme which recently re-opened to councils. We are currently going through the application process and looking to seek further technical support with the review. A review in line with New Forest District Council's Local Plan review is expected to take around two years to achieve.

2. *Ashley Parade*

The anticipated Ashley Parade regeneration is set to begin later this month. Our Estates Manager and estates team have been working hard behind the scenes to get the project underway. Tiered Planters have been purchased and magnificently planted by Northfield Nurseries, with some already placed outside NISA and further planting work by the crossroads. Resurfacing of the parade will begin within the coming weeks with the aim of completing in time for the opening of our new Ashley Youth and Community facility at Ashley Recreation Ground on the 20th of July. Projects like this have been enabled due to funding support from the Levelling Up and Regeneration Fund and matching funding from New Milton Town Council.