



LEDBURY TOWN COUNCIL

TOWN COUNCIL OFFICES, CHURCH STREET, LEDBURY

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22 May 2024

TO: Councillors Harvey, Howells, Hughes, and Newsham (Vice chair)

Dear Member

Please find below the To Follow items as listed on the agenda provided to you previously.

Also, please find amended reports in respect of the Year End Reports, due to action being taken in respect of the Internal Auditors Observation J(1).

Yours faithfully

Angela Price PSLCC
Town Clerk

FINANCIAL MATTERS

12. To receive amended year end reports to 31 March 2024
(Pages 1156 - 1169)

- i. Annual Return Summary
- ii. Annual Return Working Detail
- iii. Income and Expenditure Account
- iv. Trial Balance for Month 12

14. Audit Reports
(Pages 1170 - 1191)

2023/24 Annual Return and Internal Audit Report

- i. Internal Audit Year End Audit Cover Letter
- ii. Internal Audit Negative Response Letter
- iii. Annual Internal Audit Report 2023/24
- iv. Internal Audit Summary for the year 2023/2024
- v. Year End Audit Summary – Ledbury Town Council
- vi. Year End Internal Audit Observations

- vii. Draft of letter to send to PKF Littlejohn (External Auditor)
- viii. Statement of Internal Control
- ix. Section 1 – Annual Governance Statement 2023/24
Section 2 – Accounting Statements 2023/24
- x. Note on variances for 2023/24 Annual Return
- xi. Draft Investment Strategy

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ANNUAL RETURN
FOR THE YEAR ENDED 31 MARCH 2024
Ledbury Town Council 2023/2024

SECTION 2 - THE STATEMENT OF ACCOUNTS

I certify that the accounts contained in this return present fairly the financial position of the council, are consistent with the underlying financial records and have been prepared on the basis of Income and Expenditure.

Responsible Financial Officer

Date

I confirm that these accounts are approved by the Council and recorded as council minute reference

Dated

Signed on behalf of the above Council (Chair)

Date

		<u>Last Year £</u>	<u>This Year £</u>	<u>General Notes for Guidance</u>
1	Balances brought forward	455,041	356,754	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of the previous year.
2	(+) Precept or Rates and Levies	605,091	640,671	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3	(+) Total other receipts	58,521	60,753	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	337,226	376,143	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	424,673	424,238	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7	(=) Balances carried forward	356,754	257,797	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	341,152	245,401	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	824,217	0	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).

The following documents should accompany the accounts when submitted to the auditor:

- * A brief explanation of significant variations from last year to this year in Section 2;
- * Bank Reconciliation as at 31 March

Working details for ANNUAL RETURN - Year ended 31 March 2024

		<u>Last Year £</u>	<u>This Year £</u>	<u>Code</u>	<u>Centre</u>	<u>Code Description</u>
1		158,988	86,811	310		General Fund
1		113	113	320		Earmarked Reserves
1		10,830	25,830	321		EMR - Recreation Ground Equipm
1		9,000	9,000	322		EMR - Traffic Management
1		1,000	1,000	323		EMR - Charter Market Improveme
1		110,000	120,000	324		EMR - Listed Buildings
1		10,000	10,000	325		EMR - Elections
1		5,000	5,000	326		EMR - Youth Support
1		24,500	24,500	327		EMR- Play/Skate Park
1		15,000	40,000	328		EMR - War Memorial
1		2,500	2,500	329		EMR - Paths, Bins, Benches
1		5,000	10,000	330		EMR - CCTV
1		5,000	5,000	331		EMR - Advertising
1		2,000	2,000	332		EMR - Climate Change
1		15,000	15,000	333		EMR - Perimeter Wall Cemetery
1		81,110	0	334		EMR Great Places to Visit
1	Balances brought forward	455,041	356,754	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of the previous year.		
2		605,091	640,671	1900	220	Precept Income
2	(+) Precept or Rates and Levies	605,091	640,671	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.		
3		1,003	0	1030	201	Market House Income
3		47	246	1034	301	Tourist Information Centre
3		62	47	1036	235	Photocopier Printing
3		0	471	1038	235	Photocopier costs refunds
3		9,036	9,382	1090	301	Charter Market Income
3		11,166	13,782	1100	102	Cemetery Interment Income
3		240	0	1101	102	Memorial Bench
3		838	0	1105	102	Exclusive Right of Burial
3		96	1,210	1110	102	Transfer Of Exclusive Right Of
3		0	237	1122	115	Electricity Refund
3		2,134	1,684	1130	102	Cemetery Memorial Permit Incom
3		-1	0	1131	102	Cemetery Deed Transfers Income
3		2,333	2,167	1160	102	Mortuary Rent Income
3		109	150	1161	102	Chapel Hire
3		1,509	392	1270	115	Christmas Lights Event
3		0	950	1271	127	Event Sponsorship
3		1,667	3,333	1289	118	War Memorial Refund
3		1,218	1,759	1450	105	Painted Room Sales Income
3		2,824	3,685	1451	105	Painted Room Donations Income
3		3,000	4,301	1460	120	Ceremony Room Income
3		0	100	1460	202	Ceremony Room Income
3		1,393	0	1460	205	Ceremony Room Income
3		716	555	1471	127	Dog Poop Bags

Working details for ANNUAL RETURN - Year ended 31 March 2024

	<u>Last Year £</u>	<u>This Year £</u>	<u>Code</u>	<u>Centre</u>	<u>Code Description</u>
3	0	2	1471	301	Dog Poop Bags
3	2,250	2,250	1718	214	October Fair Donation Income
3	11,154	0	1720	214	Welcome Back Fund
3	175	0	1721	214	Grant Sponsorship
3	0	1,500	1723	214	LTC Grants
3	3,585	11,044	1870	220	Bank Interest Received Income
3	0	1,040	1871	220	Professional Services Refund
3	1,843	0	1874	220	CommunityHall Electricity CCTV
3	0	340	1899	220	Insurance Claim
3	126	126	1902	220	Western Power WayLeave
3	(+) Total other receipts	58,521	60,753	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.	
4	22,743	33,128	4000	102	Staff Salaries
4	0	22,956	4000	103	Staff Salaries
4	8,861	10,519	4000	105	Staff Salaries
4	0	837	4000	108	Staff Salaries
4	96	0	4000	202	Staff Salaries
4	162,097	237,201	4000	230	Staff Salaries
4	0	1	4018	103	National Insurance
4	65,383	27,103	4018	230	National Insurance
4	78,047	44,399	4019	230	Pension
4	(-) Staff costs	337,226	376,143	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	736	14,383	4001	102	Agency Cover
6	1,203	6,309	4001	230	Agency Cover
6	0	818	4001	301	Agency Cover
6	0	1,500	4007	120	Ceremony Room Licence Fee
6	17	190	4009	120	Wedding Refunds
6	634	625	4013	125	Devolved Services (grass cutti
6	1,008	528	4014	125	Lengthsman Scheme/P3 Scheme
6	0	11	4020	120	Cleaning
6	0	296	4020	202	Cleaning
6	0	82	4021	101	Rubbish Collection
6	191	0	4021	201	Rubbish Collection
6	384	613	4021	202	Rubbish Collection
6	0	258	4050	225	Staff Training
6	2,663	5,972	4050	230	Staff Training
6	0	99	4051	127	Officers Travel/Conference/Sub
6	1,035	2,328	4051	230	Officers Travel/Conference/Sub
6	0	102	4051	235	Officers Travel/Conference/Sub
6	2,807	2,947	4110	102	Rates

Working details for ANNUAL RETURN - Year ended 31 March 2024

	<u>Last Year £</u>	<u>This Year £</u>	<u>Code</u>	<u>Centre</u>	<u>Code Description</u>
6	539	337	4110	201	Rates
6	7,236	7,653	4110	202	Rates
6	272	0	4110	210	Rates
6	86	21	4115	102	Water
6	61	74	4115	201	Water
6	577	827	4115	202	Water
6	0	1,066	4116	202	Confidential Waste - Shredding
6	0	24,000	4118	302	Buses4Us
6	694	296	4122	102	Electricity
6	2,480	0	4122	105	Electricity
6	5,237	972	4122	108	Electricity
6	161	0	4122	110	Electricity
6	611	2,200	4122	115	Electricity
6	874	2,220	4122	201	Electricity
6	1,255	11,709	4122	202	Electricity
6	15,961	19,213	4130	220	Insurance
6	2,914	3,367	4150	202	Cleaning
6	49	449	4155	202	Housekeeping
6	70	0	4160	202	Window Cleaning
6	440	0	4170	101	Maintenance
6	2,646	1,906	4170	102	Maintenance
6	6	0	4170	105	Maintenance
6	120	120	4170	108	Maintenance
6	637	0	4170	110	Maintenance
6	173	27,953	4170	201	Maintenance
6	1,157	1,128	4170	202	Maintenance
6	0	539	4170	235	Maintenance
6	225	0	4171	202	PAT Testing
6	0	2,645	4174	102	CCTV New/ Security
6	65	0	4174	110	CCTV New/ Security
6	446	1,137	4175	110	CCTV Maintenance
6	8,763	7,340	4176	118	CCTV Link to Hereford
6	3,866	2,842	4185	202	Alarms
6	1,115	654	4200	102	New Equipment
6	59	0	4200	108	New Equipment
6	0	64	4201	102	Equipment Hire
6	4,400	3,703	4205	108	Grounds Maintenance (Contract)
6	13,433	13,440	4205	110	Grounds Maintenance (Contract)
6	-385	0	4206	101	Grounds Maintenance
6	1,964	3,840	4206	102	Grounds Maintenance
6	38	0	4206	108	Grounds Maintenance
6	122	743	4206	110	Grounds Maintenance
6	208	387	4209	108	Dog Hill Wood Maintenance
6	976	0	4210	108	Dog Hill Wood Coppicing
6	3,471	38,902	4221	118	War Memorial refurbishment
6	0	1,220	4223	102	Perimeter Wall Repairs

Working details for ANNUAL RETURN - Year ended 31 March 2024

	<u>Last Year £</u>	<u>This Year £</u>	<u>Code</u>	<u>Centre</u>	<u>Code Description</u>
6	218	78	4224	101	Wheely Bins Refuse Collection
6	700	0	4224	110	Wheely Bins Refuse Collection
6	1,435	2,828	4225	102	Skip Hire
6	1,465	10,430	4228	108	General Tree works
6	63	63	4230	110	ROSPA Reports
6	0	260	4233	118	Gazebos
6	62,527	9,500	4235	110	Play Equipment-New
6	6,533	3,390	4236	110	Play Equipment Maintenance
6	9,070	160	4237	110	Skate Park Maintenance
6	2,931	0	4238	110	Youth Shelter Maintenance
6	2,788	1,215	4250	102	Tree Works/Property Maintenan
6	106	0	4252	108	General Park Maintenance
6	6,140	0	4270	110	Litter Bins & Benches
6	363	491	4271	127	Dog Bags
6	72	334	4276	118	External power supply -High St
6	0	535	4280	118	Station Telephone Kiosk
6	97	1,864	4285	118	Defibrillator Maintenance
6	523	179	4300	102	Vehicle Repair
6	666	1,253	4330	102	Fuel
6	868	1,212	4340	102	Insurance, Tax & MOT
6	6,403	5,754	4400	235	Stationery
6	164	28	4400	401	Stationery
6	821	930	4405	235	Photocopier Hire
6	3,103	4,179	4410	235	Photocopier Costs
6	254	36	4415	202	Office Support & Equipment
6	-48	0	4415	230	Office Support & Equipment
6	5,981	1,111	4415	235	Office Support & Equipment
6	-2,916	3,887	4415	401	Office Support & Equipment
6	308	2,057	4416	102	Equipment Maintenance
6	926	682	4430	105	Advertising
6	1,422	883	4430	220	Advertising
6	0	19	4432	302	Phone Box
6	311	537	4433	105	Card Machine rental
6	150	438	4433	220	Card Machine rental
6	303	451	4434	105	Music Licence
6	31	0	4435	105	Card Machine Transactions
6	26	0	4435	220	Card Machine Transactions
6	207	528	4444	235	Petty Cash
6	350	439	4455	401	Postage
6	5,471	5,623	4460	220	Subscriptions
6	4,662	5,705	4481	401	Telephones
6	1,447	1,764	4482	401	Website
6	8,114	8,651	4483	401	ICT Services & Software Lease
6	448	243	4500	225	Town Mayors Expenses
6	450	304	4501	210	Mayor's Hospitality
6	0	194	4520	225	Councillors Expenses

Working details for ANNUAL RETURN - Year ended 31 March 2024

	<u>Last Year £</u>	<u>This Year £</u>	<u>Code</u>	<u>Centre</u>	<u>Code Description</u>
6	99	613	4525	225	Councillors Training
6	30	20	4531	210	Roll of Honour
6	260	140	4532	210	Flag Pole
6	1,056	561	4535	210	Civic Hospitality
6	0	446	4540	225	Election Expenses
6	1,063	0	4543	301	Neighbourhood Plan
6	1,716	581	4545	225	Annual & Other Meetings
6	3,830	0	4546	301	Traffic Management
6	30	0	4549	301	Charter Market improvements
6	16	0	4550	105	Bank Charges
6	722	773	4550	220	Bank Charges
6	0	50	4551	220	Data Protection
6	257	888	4553	301	Tourist Information Centre
6	732	2,124	4579	220	Audit Internal
6	0	1,680	4580	220	Audit External
6	24,568	13,839	4590	220	Professional Services
6	222	429	4592	102	PPE/Health & Safety
6	0	85	4592	103	PPE/Health & Safety
6	14	337	4592	220	PPE/Health & Safety
6	11,235	1,080	4594	102	Cemetery Mapping
6	0	158	4595	127	Climate Change
6	140	0	4600	127	Town Crier/Fees & Subs
6	174	150	4605	127	Events Barriers
6	6,560	12,795	4607	127	Events
6	19,571	31,930	4640	115	Christmas Lights & Install
6	0	135	4641	115	Christmas Lights
6	0	948	4642	115	Christmas Lights Event
6	3,809	3,100	4650	115	Ledbury In Bloom
6	318	0	4700	105	Stock Purchase
6	75	287	4703	107	Promotional Material
6	0	340	4705	107	Signage
6	169	573	4800	214	Barrett Browning Clock
6	5,000	5,000	4805	214	Citizens Advice Worcs
6	0	500	4826	214	Malvern Hilss AONB Partnership
6	10,000	10,000	4827	214	Community Action Ledbury
6	142	25	4850	127	Poppy Wreath
6	83,632	9	4857	214	Great Places to Visit Funding
6	83	0	4858	214	Welcome Back Fund
6	101	192	4875	214	Distinguished Citizen Awards
6	874	1,151	4876	214	October Fair Expenditure
6	0	77	4881	401	Building Reserves
6	0	4,320	4886	302	John Masefield Memorial
6	19,530	21,290	4890	214	Unspecified Grants
6	0	4,000	4891	214	Age Uk Hereford Localities
6	0	1,500	4892	214	Dream Your Future
6	0	2,500	4893	214	Ledbury Food Bank

Working details for ANNUAL RETURN - Year ended 31 March 2024

		<u>Last Year £</u>	<u>This Year £</u>	<u>Code</u>	<u>Centre</u>	<u>Code Description</u>
6		0	1,350	4894	214	Ledbury Methodist Church
6	(-) All other payments	424,673	424,238	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).		
7	(=) Balances carried forward	356,754	257,797	Total balances and reserves at the end of the year. [Must equal (1+2+3)-(4+5+6)]		
8		11,279	14,092	200		Lloyds A/c (235) (Bus Ext)
8		174,923	68,674	202		Premier A/c (736) Comm Call
8		154,841	162,580	203		Public Sector Deposit Fund
8		108	56	215		Petty Cash
8	Total value of cash and short term investments	341,152	245,401	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		824,217	0			Total Fixed Assets
9	Total fixed assets plus long term investments and assets	824,217	0	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).		

Ledbury Town Council 2023/2024

Income and Expenditure Account for Year Ended 31st March 2024

31st March 2023		31st March 2024
	Operating Income	
16,915	Cemetery & Buildings	18,993
4,042	Painted Room	5,444
1,509	Town Centre Decorations	629
1,667	Minor Infrastructure	3,333
3,000	Non-Statutory Services	4,301
716	Services and Events	1,505
1,003	Market House	0
0	Town Council Offices	100
1,393	Ceremony Room	0
13,579	Grants with Powers	3,750
610,645	Finance and General Purposes	653,221
62	Office Facilities & Equipment	518
9,082	Planning/Economic Development	9,630
<u>663,612</u>	Total Income	<u>701,424</u>
	Running Costs	
273	Closed Churchyard	160
50,835	Cemetery & Buildings	71,357
0	Grounds Maintenance	23,042
13,250	Painted Room	12,188
75	Town Promotion	626
12,609	Amenity Areas	16,449
102,826	Recreation Ground	28,432
23,990	Town Centre Decorations	38,312
12,402	Minor Infrastructure	49,235
17	Non-Statutory Services	1,701
1,642	Green Spaces Maintenance	1,153
7,379	Services and Events	13,718
1,837	Market House	30,585
18,083	Town Council Offices	29,986
2,069	Civic Matters	1,025
119,389	Grants with Powers	48,065
49,065	Finance and General Purposes	44,961
2,263	Councillors/Newsletter	2,335
310,380	Management and Payroll	323,313
16,515	Office Facilities & Equipment	13,143
5,180	Planning/Economic Development	1,706
0	Special Projects	28,339
11,821	Full Council	20,551
<u>761,899</u>	Total Expenditure	<u>800,382</u>

Ledbury Town Council 2023/2024

Income and Expenditure Account for Year Ended 31st March 2024

31st March 2023		31st March 2024
	General Fund Analysis	
158,988	Opening Balance	86,811
663,612	Plus : Income for Year	701,424
<hr/>		<hr/>
822,600		788,236
761,899	Less : Expenditure for Year	800,382
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60,701		(12,146)
(26,110)	Transfers TO / FROM Reserves	(53,967)
<hr/>		<hr/>
86,811	Closing Balance	41,820
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Account Number Order

<u>A/c Code</u>	<u>Account Name</u>	<u>Centre</u>	<u>Centre Name</u>	<u>Debit</u>	<u>Credit</u>
100	Debtors			66.00	
120	Vat Due			12,417.50	
150	Stock			1,727.69	
200	Lloyds A/c (235) (Bus Ext)			14,091.60	
202	Premier A/c (736) Comm Call			68,673.64	
203	Public Sector Deposit Fund			162,579.92	
215	Petty Cash			56.22	
310	General Fund				86,811.49
320	Earmarked Reserves				112.92
321	EMR - Recreation Ground Equipm				25,830.00
322	EMR - Traffic Management				9,000.00
323	EMR - Charter Market Improveme				1,000.00
324	EMR - Listed Buildings				93,022.40
325	EMR - Elections				10,000.00
326	EMR - Youth Support				5,000.00
327	EMR- Play/Skate Park				24,500.00
328	EMR - War Memorial				15,656.07
329	EMR - Paths, Bins, Benches				2,500.00
330	EMR - CCTV				7,355.00
331	EMR - Advertising				5,000.00
332	EMR - Climate Change				2,000.00
333	EMR - Perimeter Wall Cemetery				15,000.00
500	Creditors				1,816.05
1034	Tourist Information Centre	301	Planning/Economic Development		246.00
1036	Photocopier Printing	235	Office Facilities & Equipment		46.70
1038	Photocopier costs refunds	235	Office Facilities & Equipment		471.48
1090	Charter Market Income	301	Planning/Economic Development		9,381.68
1100	Cemetery Interment Income	102	Cemetery & Buildings		13,782.05
1110	Transfer Of Exclusive Right Of	102	Cemetery & Buildings		1,210.00
1122	Electricity Refund	115	Town Centre Decorations		237.17
1130	Cemetery Memorial Permit Incom	102	Cemetery & Buildings		1,684.00
1160	Mortuary Rent Income	102	Cemetery & Buildings		2,166.71
1161	Chapel Hire	102	Cemetery & Buildings		150.00
1270	Christmas Lights Event	115	Town Centre Decorations		392.15
1271	Event Sponsorship	127	Services and Events		950.00
1289	War Memorial Refund	118	Minor Infrastructure		3,333.36
1450	Painted Room Sales Income	105	Painted Room		1,758.90
1451	Painted Room Donations Income	105	Painted Room		3,685.00
1460	Ceremony Room Income	120	Non-Statutory Services		4,300.54
1460	Ceremony Room Income	202	Town Council Offices		100.00
1471	Dog Poop Bags	127	Services and Events		555.00
1471	Dog Poop Bags	301	Planning/Economic Development		2.00

Account Number Order

A/c Code	Account Name	Centre	Centre Name	Debit	Credit
1718	October Fair Donation Income	214	Grants with Powers		2,250.00
1723	LTC Grants	214	Grants with Powers		1,500.00
1870	Bank Interest Received Income	220	Finance and General Purposes		11,044.35
1871	Professional Services Refund	220	Finance and General Purposes		1,040.00
1899	Insurance Claim	220	Finance and General Purposes		340.00
1900	Precept Income	220	Finance and General Purposes		640,671.00
1902	Western Power WayLeave	220	Finance and General Purposes		125.95
4000	Staff Salaries	102	Cemetery & Buildings	33,127.67	
4000	Staff Salaries	103	Grounds Maintenance	22,955.83	
4000	Staff Salaries	105	Painted Room	10,518.54	
4000	Staff Salaries	108	Amenity Areas	836.55	
4000	Staff Salaries	230	Management and Payroll	237,201.01	
4001	Agency Cover	102	Cemetery & Buildings	14,382.74	
4001	Agency Cover	230	Management and Payroll	6,308.95	
4001	Agency Cover	301	Planning/Economic Development	818.07	
4007	Ceremony Room Licence Fee	120	Non-Statutory Services	1,500.00	
4009	Wedding Refunds	120	Non-Statutory Services	190.00	
4013	Devolved Services (grass cutti	125	Green Spaces Maintenance	624.96	
4014	Lengthsman Scheme/P3 Scheme	125	Green Spaces Maintenance	528.00	
4018	National Insurance	102	Cemetery & Buildings	0.18	
4018	National Insurance	103	Grounds Maintenance	0.99	
4018	National Insurance	230	Management and Payroll	27,103.32	
4019	Pension	102	Cemetery & Buildings	0.18	
4019	Pension	103	Grounds Maintenance	0.01	
4019	Pension	230	Management and Payroll	44,399.35	
4020	Cleaning	120	Non-Statutory Services	10.60	
4020	Cleaning	202	Town Council Offices	296.00	
4021	Rubbish Collection	101	Closed Churchyard	82.10	
4021	Rubbish Collection	202	Town Council Offices	612.64	
4050	Staff Training	225	Councillors/Newsletter	258.00	
4050	Staff Training	230	Management and Payroll	5,972.03	
4051	Officers Travel/Conference/Sub	127	Services and Events	99.00	
4051	Officers Travel/Conference/Sub	230	Management and Payroll	2,328.29	
4051	Officers Travel/Conference/Sub	235	Office Facilities & Equipment	101.90	
4110	Rates	102	Cemetery & Buildings	2,947.23	
4110	Rates	201	Market House	336.96	
4110	Rates	202	Town Council Offices	7,653.27	
4115	Water	102	Cemetery & Buildings	20.63	
4115	Water	201	Market House	73.91	
4115	Water	202	Town Council Offices	827.08	
4116	Confidential Waste - Shredding	202	Town Council Offices	1,066.18	
4118	Buses4Us	302	Special Projects	24,000.00	

Account Number Order

A/c Code	Account Name	Centre	Centre Name	Debit	Credit
4122	Electricity	102	Cemetery & Buildings	295.95	
4122	Electricity	108	Amenity Areas	972.38	
4122	Electricity	115	Town Centre Decorations	2,199.88	
4122	Electricity	201	Market House	2,220.25	
4122	Electricity	202	Town Council Offices	11,709.27	
4130	Insurance	220	Finance and General Purposes	19,213.02	
4150	Cleaning	202	Town Council Offices	3,367.00	
4155	Housekeeping	202	Town Council Offices	448.75	
4170	Maintenance	102	Cemetery & Buildings	1,905.57	
4170	Maintenance	108	Amenity Areas	120.00	
4170	Maintenance	201	Market House	27,953.43	
4170	Maintenance	202	Town Council Offices	1,128.18	
4170	Maintenance	235	Office Facilities & Equipment	539.00	
4174	CCTV New/ Security	102	Cemetery & Buildings	2,645.00	
4175	CCTV Maintenance	110	Recreation Ground	1,136.53	
4176	CCTV Link to Hereford	118	Minor Infrastructure	7,339.82	
4185	Alarms	202	Town Council Offices	2,841.69	
4200	New Equipment	102	Cemetery & Buildings	653.63	
4201	Equipment Hire	102	Cemetery & Buildings	64.00	
4205	Grounds Maintenance (Contract)	108	Amenity Areas	3,703.26	
4205	Grounds Maintenance (Contract)	110	Recreation Ground	13,440.00	
4206	Grounds Maintenance	102	Cemetery & Buildings	3,839.86	
4206	Grounds Maintenance	110	Recreation Ground	742.81	
4209	Dog Hill Wood Maintenance	108	Amenity Areas	386.63	
4221	War Memorial refurbishment	118	Minor Infrastructure	38,902.16	
4223	Perimeter Wall Repairs	102	Cemetery & Buildings	1,220.00	
4224	Wheely Bins Refuse Collection	101	Closed Churchyard	78.20	
4225	Skip Hire	102	Cemetery & Buildings	2,828.00	
4228	General Tree works	108	Amenity Areas	10,430.48	
4230	ROSPA Reports	110	Recreation Ground	62.50	
4233	Gazebos	118	Minor Infrastructure	260.00	
4235	Play Equipment-New	110	Recreation Ground	9,500.00	
4236	Play Equipment Maintenance	110	Recreation Ground	3,390.00	
4237	Skate Park Maintenance	110	Recreation Ground	160.00	
4250	Tree Works/Property Maintenance	102	Cemetery & Buildings	1,215.00	
4271	Dog Bags	127	Services and Events	491.04	
4276	External power supply -High St	118	Minor Infrastructure	334.38	
4280	Station Telephone Kiosk	118	Minor Infrastructure	534.79	
4285	Defibrillator Maintenance	118	Minor Infrastructure	1,863.90	
4300	Vehicle Repair	102	Cemetery & Buildings	179.00	
4330	Fuel	102	Cemetery & Buildings	1,253.28	
4340	Insurance, Tax & MOT	102	Cemetery & Buildings	1,212.16	

Account Number Order

A/c Code	Account Name	Centre	Centre Name	Debit	Credit
4400	Stationery	230	Management and Payroll	0.39	
4400	Stationery	235	Office Facilities & Equipment	5,754.45	
4400	Stationery	401	Full Council	28.15	
4405	Photocopier Hire	235	Office Facilities & Equipment	930.00	
4410	Photocopier Costs	235	Office Facilities & Equipment	4,178.80	
4415	Office Support & Equipment	202	Town Council Offices	35.50	
4415	Office Support & Equipment	235	Office Facilities & Equipment	1,110.76	
4415	Office Support & Equipment	401	Full Council	3,887.13	
4416	Equipment Maintenance	102	Cemetery & Buildings	2,057.41	
4430	Advertising	105	Painted Room	681.61	
4430	Advertising	220	Finance and General Purposes	883.20	
4432	Phone Box	302	Special Projects	18.78	
4433	Card Machine rental	105	Painted Room	536.69	
4433	Card Machine rental	220	Finance and General Purposes	438.18	
4434	Music Licence	105	Painted Room	451.36	
4435	Card Machine Transactions	220	Finance and General Purposes	0.38	
4444	Petty Cash	235	Office Facilities & Equipment	527.95	
4455	Postage	401	Full Council	438.75	
4460	Subscriptions	220	Finance and General Purposes	5,623.39	
4481	Telephones	401	Full Council	5,705.32	
4482	Website	401	Full Council	1,764.00	
4483	ICT Services & Software Lease	401	Full Council	8,650.87	
4500	Town Mayors Expenses	225	Councillors/Newsletter	242.66	
4501	Mayor's Hospitality	210	Civic Matters	303.95	
4520	Councillors Expenses	225	Councillors/Newsletter	193.78	
4525	Councillors Training	225	Councillors/Newsletter	613.48	
4531	Roll of Honour	210	Civic Matters	20.00	
4532	Flag Pole	210	Civic Matters	140.00	
4535	Civic Hospitality	210	Civic Matters	560.71	
4540	Election Expenses	225	Councillors/Newsletter	445.74	
4545	Annual & Other Meetings	225	Councillors/Newsletter	581.00	
4550	Bank Charges	220	Finance and General Purposes	773.07	
4551	Data Protection	220	Finance and General Purposes	50.00	
4553	Tourist Information Centre	301	Planning/Economic Development	887.73	
4579	Audit Internal	220	Finance and General Purposes	2,123.50	
4580	Audit External	220	Finance and General Purposes	1,680.00	
4590	Professional Services	220	Finance and General Purposes	13,839.30	
4592	PPE/Health & Safety	102	Cemetery & Buildings	429.43	
4592	PPE/Health & Safety	103	Grounds Maintenance	85.34	
4592	PPE/Health & Safety	220	Finance and General Purposes	337.20	
4594	Cemetery Mapping	102	Cemetery & Buildings	1,080.00	
4595	Climate Change	127	Services and Events	158.05	

Account Number Order

A/c Code	Account Name	Centre	Centre Name	Debit	Credit
4605	Events Barriers	127	Services and Events	150.35	
4607	Events	127	Services and Events	12,794.96	
4640	Christmas Lights & Install	115	Town Centre Decorations	31,929.51	
4641	Christmas Lights	115	Town Centre Decorations	135.00	
4642	Christmas Lights Event	115	Town Centre Decorations	947.70	
4650	Ledbury In Bloom	115	Town Centre Decorations	3,100.00	
4703	Promotional Material	107	Town Promotion	286.52	
4705	Signage	107	Town Promotion	339.85	
4800	Barrett Browning Clock	214	Grants with Powers	572.80	
4805	Citizens Advice Worcs	214	Grants with Powers	5,000.00	
4826	Malvern Hilss AONB Partnership	214	Grants with Powers	500.00	
4827	Community Action Ledbury	214	Grants with Powers	10,000.00	
4850	Poppy Wreath	127	Services and Events	25.00	
4857	Great Places to Visit Funding	214	Grants with Powers	8.61	
4875	Distinguished Citizen Awards	214	Grants with Powers	192.29	
4876	October Fair Expenditure	214	Grants with Powers	1,151.32	
4881	Building Reserves	401	Full Council	76.62	
4886	John Masfield Memorial	302	Special Projects	4,320.42	
4890	Unspecified Grants	214	Grants with Powers	21,290.00	
4891	Age Uk Hereford Localities	214	Grants with Powers	4,000.00	
4892	Dream Your Future	214	Grants with Powers	1,500.00	
4893	Ledbury Food Bank	214	Grants with Powers	2,500.00	
4894	Ledbury Methodist Church	214	Grants with Powers	1,350.00	
6000	Transfers from EMR	102	Cemetery & Buildings		2,645.00
6000	Transfers from EMR	118	Minor Infrastructure		24,343.93
6000	Transfers from EMR	201	Market House		26,977.60
Trial Balance Totals :				1,059,994.50	1,059,994.50
Difference				0.00	

Report prepared by Angela Price – Town Clerk

2023/24 ANNUAL RETURN AND INTERNAL AUDIT REPORT

Purpose of Report

The purpose of this report is to provide Members of the Finance, Policy & General Purposes Committee with the Internal Auditor's report in respect of the 2023/24 financial year, and to consider the information provided in respect of the Council's 2023/24 Annual Audit Return.

Detailed Information

The Internal Auditor visited Ledbury Town Council offices on 14 May 2024 for the purpose of carrying out the year end audit of the Council's financial and governance controls.

Attached is a copy of the report received from the auditor, Kevin Rose, along with a "Negative Response" letter which advises on the reason for the negative response in respect of control objective "N" in the Annual Internal Audit Report 2023/24.

Mr Rose has advised that when completing the Annual Return 2023/24, it should be recorded in the minutes that the Council had a discussion in respect of a review of this issue and to include an explanatory letter with the Annual Return submission.

A draft letter to the External Auditor in respect of this is attached to this report for Members consideration and approval.

Mr Rose advised that when completing Section 1 of the Annual Governance Statement 2023/24 the Council should return a negative response in respect of Assertion 3.

Mr Rose has also highlighted that the Council did not previously approve Sections 1 and 2 correctly and therefore there will be a recommendation at the end of this report that at the meeting of Full Council on 6 June 2024, subject to approval by Members, the Mayor be asked to sign Section 1 – The Annual Governance Statement 2023/24 prior to approval and signing of Section 2 - The Accounting Statements 2023/24.

Members will note that the Year End Internal Audit Observations has highlighted that the Council has not formally carried out an annual review of its Investment Strategy. This is a policy that the Council do not appear to have in place, and that this a policy that the Clerk has on the list of policies to complete. Therefore as a result of this observation, a draft Investment Strategy is attached with these reports for Members consideration and recommendation to Full Council, subject to amendments.

Recommendation

1. That Members of the Finance, Policy & General Purposes Committee give consideration to the information attached in respect of the Internal Auditors report and observations.
2. That Members of the Finance, Policy & General Purposes Committee note the Negative Response from the Internal Auditor and the reasons for this given within the letter draft letter to the External Auditor.
3. That Members of the Finance, Policy & General Purposes Committee approve the content of the draft letter provided by the Clerk, to be sent to the External Auditor when submitting the 2023/24 documents.
4. That Members of the Finance, Policy & General Purposes Committee consider the Internal Auditor Observations, noting that the Clerk has provided a Draft Investment Strategy for consideration and approval.
5. That Members of the Finance, Policy & General Purposes Committee note the explanation of significant variations from last year to this year in Section 2 "The statement of Accounts".
6. That a **RECOMMENDATION** be made to Full Council at its meeting on 6 June 2024 that the Town Mayor be authorised to sign the Statement of Control, as provided by the Clerk/Responsible Finance Officer.
7. That a **RECOMMENDATION** be made to Full Council at its meeting on 6 June 2024 that Section 1 – Annual Governance Statement for 2023/24 be approved and signed, noting the comment from the internal auditor that they should return a negative response in respect of Assertion 3.
8. That a **RECOMMENDATION** be made to Full Council at its meeting on 6 June 2024 that Section 2 – Accounting Statements for 2023/24 be approved and signed.
9. That a **RECOMMENDATION** be made to Full Council at its meeting on 6 June 2024 that the Draft Investment Strategy be approved, subject to any amendments.



Angela Price PSLCC, MICCM, MIWFM CiLCA
Town Clerk
Ledbury Town Council
Church Street,
Ledbury,
Herefordshire.
HR8 1DH

19th May 2024

Dear Angie,

Year End audit Cover Letter (with Interim)

An audit was carried out by Kevin Rose on Tuesday 14 May 2024. This was the Year End audit following on from the interim audit carried out on 9 November 2023.

The audit was undertaken using the standard IAC Audit Checklist, which we use for all Local Councils, which has 203 items. A total of 62 items were tested during this audit in addition to the 114 items tested and checked during the interim audit. 27 further items were checked during this audit and confirmed as being 'Not Applicable' to Your Council. All items on the checklists were tested during the year.

Areas subject to audit were;

- the Payment system (Box B)
- Risk and insurance (Box C)
- Budget and precept setting and monitoring (Box D)
- Income billing, collection and VAT (Box E)
- Payroll(Box G)
- Assets and investments (Box H)
- Bank reconciliations (Box I)
- Accounting Statements (Box J)

Summary of tests undertaken this audit

Positive response	58
Negative response	4
Not Applicable to your Council	27
Total tests carried out	<u>89</u>

Of the 62 applicable items tested a Positive response was obtained in respect of 58 tests. There were 4 Negative responses identified and 6 Observations were made, details of which are set out in the attached Year End Internal Audit Observations.

Summary of tests undertaken for the financial year (including the Interim audit)

Positive response	139
Negative response	12
Not Applicable to your Council	52
Total tests carried out	<u>203</u>
Tests not carried out	Nil

Unfortunately there was 1 Non-Compliance identified during the year and the Council should consider these in detail as they will result in a Negative response on the Annual Internal Audit Report. The non-compliance relates to the approval of the 2022-23 Annual Governance Statement and Accounting Statements when the Annual Governance Statement was not approved prior to the Accounting Statements as is required by regulation. This issue was also picked up by the External Auditor in their report.

I would like to express my thanks for the assistance and hospitality provided to me during my audit.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'K. Rose'.

Kevin Rose ACMA
Director

Angela Price PSLCC, MICCM, MIWFM CiLCA
Town Clerk
Ledbury Town Council
Church Street,
Ledbury,
Herefordshire.
HR8 1DH

19th May 2024

Dear Angie,

Further to my Internal Audit of the Council in respect of the 2022 Annual Return, I am submitting my report and observations to the Council. As you will notice from the attached Internal Audit Report it was unfortunately necessary to issue a negative response in respect of Control Objective N.

Control Objective N

“The authority has complied with the publication requirements for 2022/23 AGAR”

Reason for the negative response Control Objective N

Regulation 16 of the Accounts and Audit Regulations (2015) sets out the requirements in respect of approval of the Annual Governance Statement and the Accounting Statements;

(4) The annual governance statement, referred to in paragraph (1)(b) must be—

(a) approved in advance of the relevant authority approving the statement of accounts

From a review of the Minutes of the meeting of 29th June 2023 record that the Council had not discharged its obligation under the Regulations, as the Accounting Statements were approved prior to the approval of the Annual Governance Statement.

Implications in respect of the Annual Return

As previously advised it will be necessary for a negative response to be entered on the Internal Audit Report. In addition, the Council will also have to return a negative response in respect of Assertion 3 of the Annual Governance Statement.

It is highly likely that this issue will be subject to further query by the External Auditor and it would be helpful in that regard if the Council were to properly Minute a discussion of a review of this issue and to include an explanatory letter when submitting the Annual Return.

In addition to the Negative Response on the Internal Audit Report we have also responded ‘Not Covered’ in respect of the Control Objectives K, L and O and we are required to explain why we have done this.

-
- We have responded 'Not Covered' in response to Objective K is that it is not applicable to your Council as you did not certify yourself as exempt from External Audit.
 - At present no specific guidance has been provided to Internal Auditors as to what the 'relevant legislation' is in respect of Control Objective L. We have tested against the requirements of Statutory Instruments 2015/480 The Local Government (Transparency Requirements) and 2015/494 The Smaller Authorities (Transparency Requirements), neither of which apply to your Council. The publication requirements of Statutory Instrument (2015/234) The Accounts and Audit Regulations are covered in our responses to Internal Control Objectives M and N. The Council should note that we have not considered any additional publication requirements that may apply, for example those set out in the ICO Model Publication Scheme for Parish Councils.
 - We have responded 'Not Covered' in response to Objective O as we understand that the Council does not act as Sole Managing Trustee.

In addition to this letter and the statutory Internal Audit Report I have also submitted our Internal Audit Observations and Summary to you by email. I would be grateful if you could bring all of these to the Councils attention in due course.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'K. Rose'.

Kevin Rose ACMA
Director

Annual Internal Audit Report 2023/24

ENTER **Ledbury Town Council** AUTHORITY

ENTER PUBLICLY AVAILABLE www.ledburytowncouncil.gov.uk WEBPAGE ADDRESS

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.	Yes		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	Yes		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	Yes		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	Yes		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	Yes		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	Yes		
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.	Yes		
H. Asset and investments registers were complete and accurate and properly maintained.	Yes		
I. Periodic bank account reconciliations were properly carried out during the year.	Yes		
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.	Yes		
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>			N/A
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.			N/A
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>	Yes		
N. The authority has complied with the publication requirements for 2022/23 AGAR <i>(see AGAR Page 1 Guidance Notes).</i>		No	

O. (For local councils only)	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.			N/A

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

21/06/2023 09/11/2023 DD/MM/YYYY DD/MM/YYYY

Kevin Rose ACMA- IAC Audit & Consultancy Ltd OR

Signature of person who carried out the internal audit

SIGNATURE REQUIRED

Date

DD/19/05/2024

***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).**

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****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).

Ledbury Town Council

Internal Audit Summary for the year 2023-24

(shaded Internal Control Objectives are not applicable to your Council)

Interim Audit Date: 09/11/2023

Year End Audit Date 14/05/2024



Internal Control Objective		Observations	Non - Compliance	Observation Analysis				Advisory	Positive	Negative	N/A	Not Checked
				High	Medium	Low						
A	Appropriate accounting records have been properly kept throughout the financial year.	0	0	0	0	0		0	6	0	0	0
B	This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	4	0	2	2	0		0	31	3	9	0
C	This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	1	0	1	0	0		0	10	1	1	0
D	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	1	0	1	0	0		0	13	1	2	0
E	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	2	0	1	1	0		0	16	2	7	0
F	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	0	0	0	0	0		0	9	0	0	0
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.	0	0	0	0	0		0	17	0	7	0
H	Asset and investments registers were complete and accurate and properly maintained.	1	0	1	0	0		0	7	0	4	0
I	Periodic bank account reconciliations were properly carried out during the year.	2	0	0	2	0		0	13	2	1	0
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.	2	0	1	1	0		0	7	1	3	0
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. (If the authority had a limited assurance review of its 2022/23 AGAR tick "not covered"	N/A	N/A	N/A	N/A	N/A		N/A	N/A	N/A	3	N/A
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.	N/A	N/A	N/A	N/A	N/A		N/A	N/A	N/A	7	N/A

Internal Control Objective		Observations	Observation Analysis				Responses			
		Non - Compliance	High	Medium	Low	Advisory	Positive	Negative	N/A	Not Checked
M	The authority, during the previous year (2022/23) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).	1	0	1	0	0	4	1	0	0
N	The authority has complied with the publication requirements for 2022/23 AGAR (see AGAR Page 1 Guidance Notes).	1	1	0	0	0	6	1	1	0
O	(For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7	N/A

Total 15 1 8 6 0 0 139 12 52 0

Year End audit summary Ledbury Town Council

(shaded Internal Control Objectives are not applicable to your Council)



Year End Audit Date 14 May 2024

Internal Control Objective		N/A	Tested	Positive	Negative	Observations	Non Compliance
Box A	Appropriate accounting records have been properly kept throughout the financial year.		0	0	0	0	
Box B	This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	6	4	4	0	0	
Box C	This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.		6	6	0	0	
Box D	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.		1	1	0	0	
Box E	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	6	12	10	2	2	
Box F	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.		0	0	0	0	
Box 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.	7	17	17	0	0	
Box H	Asset and investments registers were complete and accurate and properly maintained.	4	7	7	0	1	
Box I	Periodic bank account reconciliations were properly carried out during the year.		9	8	1	1	
Box 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.	3	6	5	1	2	
Box 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. (If the authority had a limited assurance review of its 2022/23 AGAR tick "not covered"		N/A	N/A	N/A	N/A	
Box 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.		N/A	N/A	N/A	N/A	
Box M	The authority, during the previous year (2022/23) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).		0	0	0	0	
Box N	The authority has complied with the publication requirements for 2022/23 AGAR (see AGAR Page 1 Guidance Notes).	1	0	0	0	0	
Box O	(For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee		N/A	N/A	N/A	N/A	
Totals		27	62	58	4	6	0

Ledbury Town Council Financial Year 2023-24

Year End Internal Audit Observations

E *Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.*

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	Has the Investment Strategy been subject to annual review?	No	The Investment Strategy has not been subject to annual review.	Council to ensure that its Investment Strategy is subject to annual review (this could be carried out as part of the budget process)	High	Draft strategy prepared and to be considered at finance meeting on 23.05.2024 and approved at full council on 06.06.2024
2	Have fees and charges been subject to review during the financial year?	No	Fees and charges have not been subject to review during the financial year.	Schedule of Fees and Charges should be subject to annual review as part of the budget setting process.	Medium	Fees and charges were reviewed at the following meetings in 2023/24: E & L Nov 2023 - minute no. E62 E & L Jan 2024 - minute no. E78 Full Council Jan 2024 - minute nos. C193 (2 & 3 refer)

H *Asset and investments registers were complete and accurate and properly maintained.*

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	Assets purchased / disposed of have been added to / removed from asset register	Yes	Items appear to have been added to the asset register at cost plus VAT, rather than at net cost.	Assets should be recorded on the asset register at cost net of VAT. Council to review value stated for the asset register for 2024.	High	Asset Register amended accordingly

I *Periodic bank account reconciliations were properly carried out during the year.*

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	The Year End bank reconciliations have been signed and dated as evidence of independent review.	No	As at the date of the audit visit the Year End bank reconciliations had not been signed and dated as evidence of independent review.	Prior to the Council's approval of the Accounting Statements the year end bank reconciliations should be subject to review and signed and dated as evidence of this review.	Medium	These were signed by the Clerk prior to Internal Audit visit, however were not signed by Chair of Finance, onlyh initialed. Accounts Clerk advised by IA that this was sufficient

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.

J

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	Audit Extended Trial Balance agrees to draft Accounting Statements	No	<i>It was noted that there are compensating differences on Box 3 and Box 6. This is due to income code 1037 being included in Box 6 Other Costs and expenditure code 4232 being included in Box 3 Other Income. Total difference on Boxes 3 and 6 is £731 (net effect is Nil)</i>	Council to consider whether to amend the values stated in the draft accounting statements by increasing both the Box 3 and Box 6 values by £731.	High	Rialtas contacted and amendments made - amended copies of reports provided to internal auditor
2	Stock quantities on hand have been physically verified	No	<i>There is a value stated on nominal code 150 of stock of £1,727.69 - this is an old balance from prior year (the Council does not calculate a trading account for this stock)</i>	The Council to consider whether to continue to record the value of stock on nominal code 150.	Medium	Council to consider whether this to continue to record this

** June 2024

PKF Littlejohn LLP (Ref: SBA Team)
15 Westferry Circus
Canary Wharf
London
E14 4HD

Dear Sir/Madam

Ledbury Town Council Annual Governance & Accountability Return 2023/24 (AGAR)

Please find enclosed the required documentation in respect of the 2023/24 AGAR for Ledbury Town Council, which includes a Negative Response letter provided by our Internal Auditor, IAC Audit & Consultancy Ltd.

You will note from the enclosed Internal Audit Negative Response letter that they have advised that Ledbury Town Council had not discharged its obligation under Regulation 16 of the Accounts and Audit Regulations (2015) in respect of the following matter:

“Regulation 16 of the Accounts and Audit Regulations (2015) sets out the requirements in respect of approval of the Annual Governance Statement and the Accounting Statements:

(4) *The annual governance statement, referred to in paragraph (1)(b) must be –*

(a) *approved in advance of the relevant authority approving the statements of accounts*

From a review of the Minutes of the meeting of 29th June 2023 record that the Council had not discharged its obligation under the Regulations, as the Accounting Statements were approved prior to the approval of the Annual Governance Statement“.

This error was highlighted in the outcome of the External Auditors report in 2023/24 which was received at a meeting of the Finance, Policy & General Purposes Committee held on 16 November 2023 (minute no. F87 refers) and precautions are being taken to avoid a repeat of this non-compliance.

Yours faithfully

Angela Price PSLCC, MIWFM, AICCM
CiLCA (England & Wales)
Town Clerk

LEDBURY TOWN COUNCIL

STATEMENT OF INTERNAL CONTROL

1. Scope of Responsibility

Ledbury Town Council is a Local Authority funded largely by public money. It is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently, and effectively. In discharging this overall responsibility, the council is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Council's functions, and which includes arrangements for the management of risk. The Council is required by Regulation 6.1 of the Accounts and Audit Regulations 2015, to review each financial year the effectiveness of its system of financial control.

2. The Purpose of the System of internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, and to manage them efficiently, effectively, and economically. The system of internal control has been in place at the Council for the year ended 31 March 2024.

3. The Internal Control Environment

The Council

- The Council has adopted Financial Regulations which set parameters for the Council's financial operations.
- The Council has appointed a Chairman who is responsible for the smooth running of meetings and for ensuring that all Council decisions are lawful, and in accordance with Standing Orders.
- The Council meets at least six times per year to monitor and review its obligations, aims and objectives, and receive reports from the Clerk/RFO, committees and members of the Council.
- The Council has appointed Committees who monitor progress against objectives and budgets.
- The Finance, Policy & General Purposes Committee monitors financial systems and procedures, budgetary control and regularly reviews financial matters.
- The Council met in December 2023 to approve the budget and precept for the coming year 2024/25.
- The Council carries out regular reviews of its internal controls, systems, and procedures.

- Payroll is processed by an external provider using Xero Payroll Software and checked by the Responsible Financial Officer.
- Banking services are provided by Lloyds.
- The Council uses a computerised accounting system Rialtas to complete the management accounts and financial returns for the Council.

Clerk to the Council/Responsible Finance Officer (RFO)

The Council has appointed a Clerk to the Council who acts as the Council's advisor and manager and RFO.

The Clerk is responsible for advising on the day-to-day compliance with laws and regulations that the Council is subject to, and for managing risks. The Clerk also provides advice to help the Council ensure that its procedures, control systems and policies are adhered to.

Payments

All expenditure (the incurring of costs) must be authorised by the Council, or by a committee having delegated authority, or (in accordance with the Financial Regulations) by other delegated authority.

All payments from the Council's bank accounts are only to be made with dual authorisation either by two councillor signatories on cheques, or signatory from the Chair of Finance and Clerk on payments agreed in the appropriate committee for payment by BAC's.

Risk Assessment/Risk Management

The Council carries out regular risk assessments in respect of actions and regularly reviews its systems and controls. The insurance cover is regularly reviewed to ensure the correct level of cover has been provided.

Internal Auditor

The Council has appointed IAC Audit and Consultancy as Independent Internal Auditor who reports to the Council on the adequacy of:

- Records
- Procedures
- Systems of internal control
- Regulations
- Risk management
- Governance processes

The effectiveness of internal audit is reviewed annually by the Council.

External Auditor

The Council's external auditors are PKF Littlejohn, appointed by Smaller Authorities Audit Appointments Ltd (SAAA), who submit an annual certificate of audit which is presented to the Council.

Professional Advice

Additionally, the Council seeks and receives appropriate property, legal, insurance, VAT, personnel/human resources, and health & safety advice as appropriate to manage risk.

4. Review of Effectiveness

The Council has responsibility for conducting an annual review of the effectiveness of the system of internal control. The review of the effectiveness of the system of internal control is informed by:

- The full council
- The work of officers reporting to the Council and its committees
- The Clerk and RFO to the Council who are responsible for the development and maintenance of the internal control environment and managing risk.
- The independent Internal Auditor who reviews the Council's system of internal control and reports to the Council.
- The Council's External Auditor who makes a final check using the Annual Return, a form completed and signed by the Responsible Financial Officer, the Chairman, the Town Clerk, and the Internal Auditor. An Audit Certificate is issued.
- The number of significant issues that are raised during the year.

5. Significant Internal Control Issues

The Council strives for the continuous improvement of the systems it has adopted at all times and agree to act on any significant internal control issues raised throughout each financial year.

Approved by Council

Date:

Minute No.

Section 1 – Annual Governance Statement 2023/24

We acknowledge as the members of:

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	No*	'Yes' means that this authority:
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.			<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.			<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.			<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.			<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.			<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.			<i>arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.</i>
7. We took appropriate action on all matters raised in reports from internal and external audit.			<i>responded to matters brought to its attention by internal and external audit.</i>
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.			<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A

***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:

and recorded as minute reference:

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

Chair

Clerk

Section 2 – Accounting Statements 2023/24 for

ENTER NAME OF AUTHORITY

	Year ending		Notes and guidance
	31 March 2023 £	31 March 2024 £	
1. Balances brought forward	455,041	356,754	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	605,091	640,671	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	58,521	60,753	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	337,226	376,143	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	424,673	424,238	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	356,754	257,797	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	341,152	245,401	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	824,217	842,031	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

28/05/2024

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

SIGNATURE REQUIRED

as recorded in minute reference:

MINUTE REFERENCE

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

SIGNATURE REQUIRED

LEDBURY TOWN COUNCIL

Annual return for the year ended 31st March 2024

Section 2 – THE STATEMENT OF ACCOUNTS – supporting notes

Line 1 Balances brought forward.

The £356,754 total balances and reserves balances to the Box 7 of the previous years return

Line 2 Precept

The 2023/24 Precept of £640,671 represented a £35,580 increase (5.55%), this represents £3,556.29 Band D equivalent Properties = £180.19.

Line 3 Total other receipts

£60,022 total other receipts were received in 2023/24 a small increase over the previous year. However, there are 2 major receipts to highlight, the previous year contained the £11,154 one off Welcome Back Fund receipt, whilst in 2023/24 Ledbury Town Council obtained the benefit of higher deposit account interest rates. In total £11,044 was earned.

Line 4 Staff Costs

An additional £38,917 was expended on staffing during 2023/24 in comparison to 2022/23, representing a 11.54% increase. **increase of £1,925 pa to SCP 2 – 43 or 3.88% to SCP**

The wage award for 2023/24 was an increase of £1,925 pa for all staff on SC P 2-43 or 3.88% on staff on SCP 44 and above, in addition there was a small amount of incremental drift upwards. During 2023/24 the Council employed a Town Cleaner, whereas in previous years the tasks were covered by contractors, this equated to a £22,956 expenditure switch from non-pay headings.

Line 6 All other payments

The £423,507 spend is very similar to the previous year, which includes one off expenditure in relation to Great Places to Visit Funding (£83,632) and New Play Equipment (£62,527).

During 2023/24 the Council expended £53,967 on schemes/initiatives funded from ear-marked reserves

Market House repairs £26,978

War Memorial £24,344

CCTV £2,635.

In addition, £44,990 was funded from the General Reserves for:

Bus4us £24,000 a 3 Town Initiative in support of bringing back a local bus route that travels via Ledbury/Ross/Newent.

Agency staff to cover the long-term sickness of the Cemetery Maintenance Operative £8,000

Additional Christmas Lights expenditure £8,930

Unplanned tree works at Dog Woods £8.780

Line 7 Balances carried forward.

The £257,797 year end balance shows a £98,957 reduction, this is detailed previously as £53,967 Ear marked reserve reduction plus General Reserve reduction of £44,990.

Line 8 total value of cash and short-term investments

The £245,901 balances to the year end bank reconciliation, the £95,751 reduction linked to the approvals from the Ear Marked and General reserves.

Overall Observation

As the Clerk/Responsible Finance Officer I consider that 2023/24 was a very successful year financially. The Council managed the budget very well to approved levels whilst delivering major projects. Cost pressures arising from staff sickness had no impact of service delivery.

LEDBURY TOWN COUNCIL

INVESTMENT STRATEGY

Introduction

This guidance has been prepared in accordance with the Guidance on Local Government Investments (“the Guidance”), issued under section 15(1)(a) of the Local Government Act 2003, effective from 1 April 2018.

The Guidance states:

- a. Where a Town or Parish Council expects its investments at any time during a financial year to exceed £100,000, the Guidance should apply in relation to that year.
- b. Where a Town or Parish Council expects its investments at any time during a financial year to exceed £10,000 but not £100,000, it should decide on the extent, if any, to which it would be reasonable to have regard to the Guidance in relation to that year.
- c. Where a Town or Parish Council expects its investments at any time during a financial year not to exceed £10,000, no part of the Guidance needs to be treated as applying in relation to that year.

The Guidance recommends that a Council produces an Annual Investment Strategy which sets out its policy for managing the investments and giving priority to the liquidity and security.

A “Specified Investment” is one which is made in sterling, is not long term (less than 12-months) not defined as capital expenditure and is placed with a body which has a high credit rating or made with the UK Government, a UK Local Authority or a Parish or Community Council.

Any other type of investment is considered “Non-Specific” to which there can be greater risk and where professional investment advice might be required.

Strategy

Ledbury Town Council are requested to adopt the following investment strategy:

1. The Council acknowledges the importance of prudently investing its temporary surplus funds held on behalf of the community.
2. The Council’s priorities will be centred on the security (protecting the capital sum from loss) and then liquidity (keeping the money readily available for expenditure when needed) of its reserves.

3. Adopt the Secretary of State's Guidance in relation to council investments in full (Department for Communities & Local Government "Guidance on Local Government Investments" 3rd Edition dated 11 March 2010.
https://assets.publishing.service.gov.uk/media/5a74512440f0b646ce8d9b0e/Guidance_on_local_government_investments.pdf
4. Carry out an annual cash flow forecast to ascertain expenditure commitments for the coming financial year.
5. On the basis of that cash flow forecast, to invest only in:
 - Specified Investments or in
 - Non-specified investments including longer term investments i.e. 12 months or more but which still offers the greatest security
 - Bodies with high credit ratings

Adopted:

Minute No.

Review date: