

FINAL ACCOUNTS 2019-20

Head of Service/Contact: Lee Duffy, Chief Finance Officer
Annexes/Appendices (attached): Annex 1 – 2019/20 Cost Centre Accounts
Annex 2 – Financial Statements 2019/20
Annex 3 – Annual Governance and
Accountability Return 2019/20

Other available papers (not attached):

Report summary

This item presents the Conservators' final accounts for the financial year 2019/20.

Recommendation (s)

The Conservators :

- (1) Receive the final accounts for 2019/20, subject to external audit;**
- (2) Approve the Annual Governance Statement as set out in section 1 of Annex 3 to this report;**
- (3) Consider and approve the Accounting Statements as set out in section 2 of Annex 3 to this report;**
- (4) Confirm that the arrangements for the internal audit as set out in this report are effective for auditing purposes;**
- (5) The Chairman and Clerk be authorised to sign the Annual Governance Statement and the Accounting Statements on behalf of the Conservators.**

1 Introduction

- 1.1 This report presents the Conservators' final accounts for the year ended 31 March 2020.
- 1.2 The revenue account is attached at Annex 1 and details income and expenditure for the year compared to the original budget.

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- 1.3 The financial statements are attached at Annex 2 and the Annual Governance and Accountability Return, which requires approval of the Conservators, is attached at Annex 3.
- 1.4 The Annual Governance and Accountability Return will be subject to external audit between September and November 2020.

2 Revenue Account for 2019/20

- 2.1 Overall, net expenditure for the year was £417,463 compared to the original budget of £407,260, resulting in a deficit for the year of £10,203, and therefore a decrease in the working balance of the same amount.
- 2.2 At Q3, a deficit of £3,322 had been forecast; the main variances to budget and the forecast are shown in the following table:

Explanation of significant variances	£
Transport– One-off costs to cover repairs on transport fleet incurred in year	3,221
Cleaning – New contract with Churchill to clean Keepers Hut, which had not been included in the old contract. These costs have been removed from the contract effective from April 2020.	4,298
Building Maintenance – expenditure relates to unanticipated works completed at the Keepers Hut	1,050
Engineering and Fabric – New contract with Rydons following competitive tender process saw increased cost for both Keepers Hut, Tattenham Conveniences and Derby Day clean-up	2,211
Management SLA – The cost of additional work including EWDC review of services and workshop in Autumn 2019.	4,962
Reduction in anticipated water charges at Tattenham Conveniences	-1,646
Reduction in anticipated Derby contract payments – actual charges can vary depending on number of caravans per year	-1,585
Additional income from events, metal detector licences and interest received	-2,107

3 Impact of Covid-19

- 3.1 Central Government's 'full lockdown' measures were announced on 23 March, which impacted the final week of the financial year. As a result, one long standing event that had been due to take place was cancelled, resulting in a loss of revenue of £325.

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- 3.2 The direct financial impact of Covid-19 was minimal for 2019/20, and it is expected to remain relatively minor into 2020/21. There may be some small loss of income if events are cancelled, but this should be offset by other running costs not being incurred, such as those that arise from Tattenham Corner conveniences being closed. A greater financial impact would arise if the precepting bodies were unable to continue funding the Conservators at its current level, although there is no current indication that this may be the case. A further update on the impact of Covid-19 will be reported back to the Conservators as part of the 2020/21 mid-year monitoring report in October.

4 Repairs and Renewals Fund

- 4.1 The balance on the fund at 31 March 2020 was £36,001, following a budgeted contribution in year of £5,000 and interest earned of £385, as shown in the following table:

	£
Balance brought forward 1 April 2019	36,001
Budgeted contribution in 2019/20	5,000
Interest on balance (0.94% interest rate)	385
Balance carried forward 31 March 2020	41,386

5 Financial Implications

- 5.1 The working balance stood at £56,021 as at 31 March 2020 (£66,224 as at 31 March 2019).
- 5.2 The balance sheet debtor is Epsom and Ewell Borough Council who holds the working balance and renewals fund reserve. The Council credits interest on these sums to the Conservators' account on the average return on the Council's investments, which for 2019/20 was 0.94%.

6 Internal Audit

- 6.1 From 01 April 2019, Southern Internal Audit Partnership (SIAP) provide internal audit services to the Council and the Conservators, which includes completion of the Internal Audit Report within the Conservator's Annual Governance and Accountability Return. The role and scope of SIAP is detailed within the Internal Audit Charter which was presented to the Council's Audit, Crime & Disorder & Scrutiny Committee on 16 April 2019.
- 6.2 The 2019/20 Audit Plan was submitted in April 2019 to the same Committee who act as an Audit Committee under the Council's constitution. The Audit, Crime & Disorder & Scrutiny Committee receive quarterly audit progress reports and a year-end Assurance Report.

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- 6.3 All financial transactions for the Conservators are processed through Epsom and Ewell Borough Council's financial systems and transactions recorded on the Council's financial management system.
- 6.4 SIAP Internal Audit Contract Manager makes the appropriate arrangements for the Annual Internal Audit Report section of the Annual Return to be checked and signed off, which was completed in May 2020.

7 Annual Governance and Accountability Return

- 7.1 Smaller Bodies in England must complete an annual return, now known as the Annual Governance and Accountability Return (AGAR) to the appointed External Auditor. PKF Littlejohn LLP have been appointed as the auditor to all relevant smaller authorities in Surrey for 5 years from 2017/18. The AGAR for the year ending 31 March 2020 is attached at Annex 3.
- 7.2 Any significant changes to the AGAR following external audit will be reported back to the Conservators.
- 7.3 Due to Covid-19, the statutory requirements have been amended from previous years, and for 2019/20 each smaller authority is now required by law to:
 - 7.3.1 Prepare Accounting Statements for the year ended 31 March 2020 in the form required by proper practices (the relevant AGAR, Part 1, 2 or 3)
 - 7.3.2 Approve and publish the unaudited AGAR including Accounting Statements by 31 August 2020 (previously 30 June 2020)
 - 7.3.3 Provide for the exercise of public rights
 - 7.3.4 Publish the audited AGAR, including the signed external auditor report, by 30 November 2020 (previously 30 September 2020).
- 7.4 With regard to the AGAR, the Conservators will note that:-
 - 7.4.1 The detailed budget is submitted to the Conservators each year prior to contributions being levied from constituent bodies.
 - 7.4.2 Officers monitor the account as part of the Council's budget monitoring arrangements with quarterly monitoring reports and monthly reviews of major variances.
 - 7.4.3 The Treasurer presents a mid-year monitoring report to the Conservators.
 - 7.4.4 The Treasurer presents a year-end report to the Conservators.

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- 7.4.5 All transactions are subject to the Council's financial management and internal control arrangements.
- 7.4.6 The Council's financial processes and operational activity are subject to risk profile as part of the audit needs assessment.

8 Risk Assessment

- 8.1 The working balance of £56,021 at the year-end is approximately 13% of net expenditure and is considered adequate for meeting unforeseen expenditure. The Conservators will need to assess further withdrawals from the working balance to ensure sufficient funds are available.
- 8.2 An updated Risk Register was provided at the meeting on 27th January 2020.

9 Proposals

- 9.1 It is proposed that:-
 - 9.1.1 The final accounts for 2019/20 be received
 - 9.1.2 The Conservators approve the Annual Governance Statement
 - 9.1.3 The Conservators approve the Accounting Statements
 - 9.1.4 The Conservators confirm that the arrangements for internal audit as set out in this report are effective for the purpose of the Committee.
 - 9.1.5 The Chairman and Clerk be authorised to sign the Annual Governance Statement.
- 9.2 Any significant changes to figures following external audit will be reported back to the Conservators.

Ward(s) Affected: College Ward; Woodcote Ward;