

FINAL ACCOUNTS 2021-22

Head of Service:	Lee Duffy, Chief Finance Officer
Wards affected:	College Ward; Town Ward; Woodcote Ward;
Appendices (attached):	Appendix 1 – 2021/22 Revenue Account Appendix 2 – Financial Statements 2021/22 Appendix 3 – Annual Governance and Accountability Return 2021/22

Summary

This report seeks approval of the Conservators' final accounts for the financial year 2021/22.

Recommendation (s)

The Conservators are asked to:

- (1) Receive the final accounts for 2021/22, subject to external audit.**
- (2) Approve the Annual Governance Statements as set out in section 1 of Appendix 3 to this report.**
- (3) Consider and approve the Accounting Statements as set out in section 2 of Appendix 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) Authorise the Chair and Clerk to sign the Annual Governance Statement and the Accounting Statements on behalf of the Conservators.**

1 Reason for Recommendation

- 1.1 To meet the statutory requirement for the Conservators to consider and approve the financial statements by 30 June 2022.

2 Background

- 2.1 This report represents the Conservators' final accounts for the year ended 31 March 2022.

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- 2.2 The revenue account, attached at Appendix 1, details income and expenditure for the year compared to the budget.
- 2.3 The financial statements are attached at Appendix 2 and the Annual Governance and Accountability Return, which requires approval of the Conservators, is attached at Appendix 3.
- 2.4 The Annual Governance and Accountability Return will be subject to external audit between July and September 2022.

3 Revenue Account for 2021/22

- 3.1 Overall, net expenditure for the year was £437,728 compared to the original budget of £433,570, resulting in a deficit for the year and a decrease in the working balance of £4,158 (offset by a contribution of £3,000 to the working balance).
- 3.2 At Q3, a deficit of £11,861 had been forecast. The £7,703 movement between Q3's forecast and the outturn position is mainly due to underspent budgets within grounds maintenance for car parking repairs (£3,060) and fuel (£4,315). For the whole year, the main variances to budget are shown in the following table:

Explanation of significant variances	Variance £
Grounds Maintenance – Net reduction in running costs, mainly due to underspent fuel and car park repair budgets.	-11,371
Keeper's Hut – net reduction in running costs	-1,018
Increase in Management costs and associated VAT liability, principally due to work requesting the Traffic Order earlier in the year, reviewing the Tattenham Corner Conveniences and preparing a Habitat Management Plan.	25,981
Increase in Derby contract payments – actual charges can vary depending on number of caravans per year	1,000
Tattenham Conveniences – reduction in running costs due to facilities being closed	-14,883
Income – reduced income from events and interest received as a result of Covid-19	4,450

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4 EAFRD Project

4.1 The Visitor Trails: Explore the Equestrian Heritage of the Epsom and Walton Downs project is mainly funded by the Rural Development Programme for England. Works commenced in December 2021 and are progressing well despite a few supply chain delays. There is an anticipated completion date of June 2022.

5 Repairs and Renewals Fund

5.1 The balance on the fund at 31 March 2022 was £40,965, following a net contribution to revenue in year of £360 and interest earned of £102, as shown in the following table:

	£
Balance brought forward 1 April 2021	40,503
Contribution from R&R Fund to revenue to cover demolition costs associated with Tattenham Conveniences as agreed by Conservators in January 2022	-1,640
Annual budgeted contribution from revenue to R&R Fund	2,000
Interest on balance (0.25% interest rate)	102
Balance carried forward 31 March 2022	40,965
Balance committed to Tattenham Corner Conveniences demolition	-34,360
Uncommitted balance at 31 March 2022	£6,605

5.2 At the January 2022 meeting, it was agreed by Conservators that £36,000 would be earmarked to fund demolition of Tattenham Corner Conveniences. As £1,640 expenditure has already been incurred preparing for the demolition, the uncommitted balance in the reserve is £6,605.

6 Internal Audit

6.1 From 1 April 2019, the 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 with the Internal Audit Charter which was presented to the Council's Audit, Crime & Disorder & Scrutiny Committee on 7 April 2022.

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- 6.2 The 2022/23 Internal Audit Plan was submitted in April 2022 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 Annual Report & Opinion.
- 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 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 April 2022.

7 Annual Governance and Accountability Return

- 7.1 Smaller Bodies in England must complete an annual return, 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 2022 is attached at Appendix 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, statutory requirements have been amended for the last two years. For 2021/22, statutory requirements have returned to pre Covid-19 deadlines, therefore each smaller authority is now required by law to:
 - 7.3.1 Prepare Accounting Statements for the year ended 31 March 2022 in the form required by proper practices (the relevant AGAR, Form 1, 2 or 3)
 - 7.3.2 Approve and publish the unaudited AGAR including Accounting Statements by 30 June 2022
 - 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 September 2022
- 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.
 - 7.4.3 The Treasurer presents a mid-year monitoring report to the Conservators

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7.4.4 The Treasurer presents a year-end report to the Conservators (this report).

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

Legal or other duties

8.1 An updated Risk Register is expected to be taken for approval to the meeting in June 2022.

8.2 The working balance stands at £57,659 at the year-end, however, £21,216 is committed as funding for the EAFRD project, reducing the uncommitted balance to £36,443, which is approximately 8% of net expenditure. Together with the Repairs and Renewals fund, the working balance reserve provides financial cover to manage unexpected expenditure and risks.

8.3 Equality Impact Assessment

8.3.1 None arising from the contents of this report.

8.4 Crime & Disorder

8.4.1 None arising from the contents of this report.

8.5 Safeguarding

8.5.1 None arising from the contents of this report.

8.6 Dependencies

8.6.1 None arising from the contents of this report.

8.7 Other

8.7.1 None arising from the contents of this report.

9 Financial Implications

9.1 **Section 151 Officer's comments:** Financial implications are set out in the body of the report.

10 Legal Implications

10.1 There are no legal implications arising from the contents of this report.

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10.2 **Legal Officer's comments:** None arising from the contents of this report.

11 Policies, Plans & Partnerships

11.1 **Council's Key Priorities:** The following Key Priorities are engaged:
Effective Council, Green & Vibrant

11.2 **Service Plans:** The matter is included within the current Service Delivery Plan.

11.3 **Climate & Environmental Impact of recommendations:** None

11.4 **Sustainability Policy & Community Safety Implications:** None

11.5 **Partnerships:** The Jockey Club, Training Grounds Management Board and Epsom and Ewell Borough Council are represented by Members on the Conservators committee.

12 Background papers

12.1 The documents referred to in compiling this report are as follows:

Previous reports:

- Budget 2022/23 – (24 January 2022)

Other papers:

- Strategic Risk Register 2022