

# TRURO CITY COUNCIL



CITY OF TRURO

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Municipal Buildings  
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June 2023

To: The Mayor (Councillor Mrs C Swain)  
Deputy Mayor (Councillor S Rabey)  
Chairman and members of the  
**FINANCE & GENERAL PURPOSES COMMITTEE**  
and all other Members of **TRURO CITY COUNCIL** *for information*

Dear Councillor

## AGENDA

NOTICE IS HEREBY GIVEN that the meeting of the **FINANCE & GENERAL PURPOSES COMMITTEE** will be held at **TRURO COMMUNITY LIBRARY IN THE LARGE COMMUNITY ROOM (TOP FLOOR), UNION PLACE** on **MONDAY 12 JUNE 2023** at **7.00 pm** for the transaction of the under mentioned business: -

- 1 **APOLOGIES**
- 2 **DISCLOSURES OR DECLARATIONS OF INTEREST**
- 3 **OPEN SESSION FOR ELECTORS OF TRURO RELATING TO ITEMS ON THIS AGENDA**  
**VERBAL QUESTIONS** (5 minutes only)
- 4 **FINANCE AND GENERAL PURPOSES MINUTES** (Appendix A)  
To consider the minutes of the Finance & General Purposes Committee held 17<sup>th</sup> April 2023.
- 5 **GRANTS**  
Town Clerk to report on meeting held prior to the Finance & General Purposes Committee
- 6 **ANNUAL GOVERNANCE STATEMENT 2022-23** (Appendix B)  
To consider recommending to Council the attached draft statement.
- 7 **STATUTORY ACCOUNTS 2022-23** (Appendix C)  
To consider the attached draft statement of accounts
- 8 **HENDRA COMMUNITY HALL** (Appendix D)  
Members to consider attached report.
- 9 **COMMUNITY INFRASTRUCTURE LEVY (CIL)** (Appendix E)  
Members to consider attached report.
- 10 **EXCLUSION OF THE PRESS AND PUBLIC**  
In accordance with s1(2) of the Public Bodies (Admission to Meetings) Act 1960, the press and public will be excluded from the meeting during consideration of the following items by reason of its confidential or special nature.

- 11 **PURCHASE OF LAND**  
To consider the report. Circulated separately.
- 12 **CITY OF TRURO BOYS CLUB**  
Verbal report from the Town Clerk.
- 13 **ORGANISATIONAL REVIEW**  
Verbal Report from the Town Clerk.
- 14 **READMITTANCE OF THE PRESS AND PUBLIC**  
Press and public will be permitted to rejoin the meeting following the conclusion of the confidential items.
- 15 **CORRESPONDENCE**
- 16 **DATE OF NEXT MEETING**  
The agenda for the next Finance and General Purposes Committee to be held 10 July 2023 will be prepared on Tuesday 4 July 2023. In accordance with Minute 302 (03.12.12) should a member wish an item to be included on this agenda please inform the Town Clerk's office by Monday 3 July 2023 as no items other than those on the agenda can be considered at the meeting.



ROGER GAZZARD  
TOWN CLERK

**MEETING OF THE FINANCE AND GENERAL PURPOSES COMMITTEE HELD ON  
MONDAY 17 APRIL 2023 at 7:00 pm**

**PRESENT:** Councillors Biscoe, Mrs Carlyon, Mrs Eathorne-Gibbons, Nolan, Rich, Roden (Chairman), Mrs Stokes, Mrs Swain (Mayor Elect), Unwin, Webb (Mayor) and Wells.

**Also, in attendance:** Roger Gazzard, Town Clerk/Responsible Financial Officer  
Mrs Joanne Trevelyan, Financial Officer  
Councillor La-Borde  
Councillor Rabey

**APOLOGIES:** An apology of absence was received from Councillor Smith. Members wished to send Councillor Smith their best wishes and thank him for his service and commitment to the City Council.

**420 DISCLOSURES OR DECLARATIONS OF INTEREST**

There were no disclosures or declarations of interest.

**421 OPEN SESSION FOR THE ELECTORS OF TRURO**

There were no electors of Truro present.

**422 FINANCE AND GENERAL PURPOSES MINUTES**

**Accuracy Minutes**

It was proposed by Councillor Roden, seconded by Councillor Mrs Swain, and

**RESOLVED** that the minutes of the Finance and General Purposes Committee Meeting held on 13<sup>th</sup> March 2023 are signed as a correct record.

A Member queried whether there was anything further to report regarding item 7 of the Accommodation Working Group minutes. The Town Clerk explained he had received an email from Cornwall Council informing him there was a significant delay to the works being carried out, mainly due to materials being rejected because of quality.

**423 TOWN CLERK/RESPONSIBLE FINANCIAL OFFICER'S REPORT**

**Audit Reports**

**Risk Register update**

The Town Clerk explained the Register was reviewed twice a year as this was agreed as good practice by the City Council's internal auditor. He informed Members that he had recommended two changes. Firstly, in recognition of the uncertainty regarding inflation levels and pay awards in 2023, together with the uncertainty over the financial impact of world events, the financial risk 2 regarding keeping within financial estimates has been increased from 9 to 12. Also, the risk associated with covid had been removed as the City Council had operated continuously through the pandemic and the risk of lockdowns and need for staff to isolate was reducing.

A Member suggested that since the Council had grown significantly over the years, whether the Risk Register needed to be re-visited in more detail. There was also a query as to whether something needed to be included in the document with regards to recruitment of staff and the risks involved in failing to do so. A Member queried who

would now be carrying out the City Council's compliance work following the Compliance Officer leaving and the Town Clerk explained there was a member of staff that would do this, and the City Council also had an external provider as back up.

It was felt by Members that the City Council's relationships with external bodies (i.e., Business Improvement District) should be reflected in the Register also. It was mentioned the City Council was exposed to a significant number of large projects, for example the Towns Deal Project, which were not included in the Register. The Town Clerk explained there was no risk as present, until the City Council signed the Grant Funding Agreements then there was no commitment to delivering the project.

A Member asked what was in place if the tills were to break down in the Tourist Information Centre or Boscawen Park. The Town Clerk explained there was a paper system in place as back up, however, income would be lost if the card reader should fail.

A question was asked as to whether the City Council's memorabilia was being taken care of and the Town Clerk commented that high value items were being looked after by Lanes Self Storage and covered under their insurance and the rest of the items were in the safe at the Municipal Offices.

With regards to the risks around the City Council's computer systems, NCI had transferred all data to the Cloud which was extremely secure.

The Town Clerk informed Members the suggestions raised would be considered in the next review of the Risk Register, in September 2023.

It was proposed by Councillor Roden, seconded by Councillor Mrs Swain, and

**RECOMMENDED** that:

1. That the attached Risk Register is approved.
2. It is reviewed when considering new services and assets
3. That the next general review is carried out at the September 2023 meeting of the Finance & General Purposes Committee with any significant new risks being notified as they become known.

**Banking & Investment Strategy**

The Town Clerk explained that he was recommending that this remained unchanged until the summer, when the City Council goes out to tender and looks at ethical banking arrangements.

It was proposed by Councillor Biscoe, seconded by Councillor Mrs Swain, and

**RECOMMENDED** that the Banking and Investment Strategy be approved.

**424 LEMON QUAY STAKEHOLDERS GROUP**

The Town Clerk reminded Members that the City Council entered into a ten-year Management Agreement with the owner of Lemon Quay, Cornwall Council in 2018. The Agreement required a Stakeholder Group to oversee the management of the Quay who had a responsibility to maintain a balance of commercial, community, cultural, and entertainment uses that support the local economy. The Stakeholder Group was recommending the introduction of a criteria assessment for medium and large-scale events to provide an objective measure when deciding whether events are permitted to use the Quay. This was needed to ensure that staff members have the back up of a

Council approved document when making decisions. He explained there was also a scoring matrix that will be used in assessing the event.

There were queries from Members as to what would be the trigger point to define whether an event was considered medium or small and felt there needed to be a criterion for this. The Town Clerk explained that it was the impact of the event on the public and surrounding businesses that was most critical i, and there were other factors that needed to be taken into account.

It was agreed that banning marquees for five weeks prior to Christmas was too long and that an agreed date of 1<sup>st</sup> December would be preferred. A Member pointed out that Truro could miss out on excellent event opportunities, which could bring a huge amount of footfall to the City, should this restriction remain in place. It was suggested that although visitors may come to the City for a particular event, they would also likely visit nearby shops which would generate income for Truro.

Members asked that the Town Clerk engage in positive discussions with the Primestock Show to make arrangements for the event to take place on Lemon Quay this year.

A Member pointed out that the main reason for this document was to protect the City Council's staff and enable a fair process to be carried out for all applicants.

Councillor Rich left the meeting at 8.11pm

It was proposed by Councillor Roden, seconded by Councillor Mrs Eathorne-Gibbons, and

**RECOMMENDED:**

1. the revised application form for medium and large-scale events on Lemon Quay including criteria be approved subject to an amendment on page 5 of the application form to allow marquees to be permitted up until 1<sup>st</sup> December instead of five weeks prior to Christmas.
2. the Town Clerk enters urgent and positive discussions with the Primestock Show to find ways and means to ensure the Primestock Show happens annually on Lemon Quay.
3. to examine how the Primestock Show and Farmers Market can be catalyst for annual celebration of agriculture in the town centre, to include Cornish Mutual, Lodge & Thomas and others including Young Farmers and NFU.
4. to report back to F&GP.
5. to investigate alternative funding for marquee for Primestock Show.

**425 CORRESPONDENCE**

There was no correspondence to report.

The meeting closed at 8.18pm.

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**CHAIRMAN**

# **Truro City Council**

## **Annual Governance Statement**

### **2022-23**

#### **1. Scope of responsibility**

Truro City Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is responsible for establishing and maintaining appropriate risk management processes, governance arrangements, and control systems (including operational procedures) which facilitate the effective exercise of its functions.

The Council has responsibility for conducting (financial regulation 1.5), at least annually, a review of the effectiveness of the system of internal control and of the system of internal audit. The Committee is asked to review the information in this report which summarises review work carried out by the Council during the year.

The review of the effectiveness of the system of internal control is also informed by the work of the independent internal auditors (Hudson Accounting Ltd), and

also by comments made by the external auditors (BDO LLP) and other review agencies and inspectorates in their annual audit letter and other reports.

In terms of compliance with statutory powers the Council in 2012-13 adopted the “General Power of Competence” as defined by the Localism Act 2011, and has re-adopted it following the May 2013, May 2017 and May 2021 elections.

The Council is further asked to consider how the internal control process will be strengthened over the coming year.

## 2. 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, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place at Truro City Council for the year ended 31 March 2023 and accords with proper practice. However, the Council recognizes that, in a changing world of increasing risks, there are areas where it could strengthen its arrangements and these planned improvements are set out in section 4. In the governance review for the 2021-22 financial year the following areas were listed as areas of concern. Below is a review of the actions relating to each: -

Areas of Concern	Actions
The management structure of the organisation did not have sufficient	The Council resolved to carry out an “Organisational Review” process, including a review of the

<p>resilience to ensure the achievement of the objectives of the organisation.</p>	<p>management structure. In March 2023 the Council agreed a revised structure, albeit not deciding on a final senior management role. The structure agreed is being implemented in 2023-24.</p>
<p>The Business Continuity Plan for the organisation was outdated and needed refreshing.</p>	<p>This has been carried out in 2022-23 and a review process put into place to ensure it takes into account changing circumstances.</p>
<p>The Risk Register for the organisation was in need of a complete review</p>	<p>This was carried out and a revised register presented to the Finance &amp; General Purposes committee in April 2023. The management governance behind its twice annual review has also been strengthened.</p>
<p>To review the governance of Council Working Groups</p>	<p>This has been carried out with “redundant” groups dissolved and the terms of reference for remaining groups reviewed.</p>

### 3. The internal control environment

The key elements of the Council's internal control environment together with actions during the 2022-23 year are below: -

Element	Action Related to 2022-23 Financial year
<p>Standing orders and Financial Regulations detailing arrangements for policy setting and decision making and the delegation of powers to members and officers.</p>	<p>The standing orders were comprehensively reviewed by the Council in 2019-20, and updated in 2022-23 to reflect the creation of a subsidiary Company.</p> <p>In accordance with its normal practice the Council also reviewed other policies such as the Investment Policy.</p>
<p>An established business planning process, which sets clear objectives and targets and reconciles policy priorities with financial resources;</p>	<p>The approval of Estimates process for 2023-24 included a three year medium term financial forecast and a review of the Councils objectives. An action plan was also included. Due to the inflationary and other cost pressures the Estimates process also included options of cost reductions which the Committees and Council considered in setting the precept.</p> <p>Following the Council elections in May 2021 the Council undertook a policy review resulting in the agreement of the Council in December 2021 to a Medium Term Plan covering the period to 2025.</p>

<p>The inclusion within the business planning process of risk assessments and a clear statement of the ways in which identified risks will be managed;</p>	<p>A Risk management Policy has been approved by the Council. This was reviewed in the year by the Finance &amp; General Purposes committee. The Council has an embedded risk assessment process for both operational and project based activities.</p>
<p>A robust and established budget setting and budgetary management process, ensuring the economical, effective and efficient use of resources.</p>	<p>This year was extremely challenging due to the sudden and unexpected rise in inflation that was caused by matters outside of the Council's control, together with restructuring costs associated with the Organisational Review. This was identified early in the financial year and steps to mitigate this was taken. In gross terms after allowing for the Council's inflation provision inflationary and other cost increases amounted to some £164k. Mitigations reduced this figure to £34k at the year end.</p>
<p>Comprehensive codes of conduct for members that set out clear expectations for standards of behaviour;</p>	<p>An up to date Code of Conduct is in place.</p>
<p>Effective arrangements for dealing with complaints and whistle-blowing, and for combating fraud and corruption;</p>	<p>The whistle blowing policy remains in place.</p>

<p>An independent and professional internal audit service that works with officers to assess and develop the control environment, and which supports management's assessment of compliance with established policies, procedures, laws and regulations. All reports from the internal and external auditor are considered by the Finance &amp; General Purposes Committee.</p>	<p>We employed Hudson Accounting Ltd for the 2022-23 financial year. All audit reports are distributed to the Town Clerk and presented to the Finance &amp; General Purposes Committee.</p>
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#### 4. Significant internal control issues

I believe that the above demonstrates that the Council has in place appropriate risk management processes and a satisfactory system of internal control which facilitates the effective exercise of its functions and satisfactory governance arrangements.

However, as part of the review, the Committee is required to identify and disclose any significant internal control issues. It is my view that no such issues currently exist. However, there are a number of areas where improvements to the control environment could be made and I recommend that these are implemented over the coming year.

During 2022-23 the Council identified three particular areas of concern: -

The Organisational Review has resulted in a number of changes to improve governance in the organisation and 2022-23 will see these changes being embedded.

The Council decision making process in terms of number and duties of committees, together with delegations needs to be reviewed.

The Council reviewed its Mission Statement in 2022-23 and needs to review its Objectives and then prioritise its operations to those objectives.

## **5 Recommendations**

That the Council approve the statement.

**Roger Gazzard**

**Town Clerk**

# Truro City Council

## Draft Financial Accounts 2022-23

(subject to Audit)

### 1.Introduction

I have attached a number of documents relating to the financial accounts for the last financial year. In terms of process there is a legal requirement that the Financial Accounts and Annual Return have to be approved and submitted to the auditor by the end of June. The accounts will then be audited by the statutory auditor, BDO LLP, which has a deadline date of the end of September; and I will then report the results of the audit to a future committee.

In summary the year concluded with an overspend of £34k; against a prediction in the revised estimates of £59k. I have recommended that we make a transfer from the Finance Committee Buildings Fund to cover this shortfall.

You will note from the papers that our independent internal auditor has reported on the accounts, and his report is included.

There is a legal requirement that the Annual Return and the Annual Governance Statement are approved by the full Council and therefore I am asking this committee to recommend acceptance to the Council. They will form separate items on the Council agenda.

The Council followed its usual process of receiving detailed Management Accounts figures at the Finance & General Purposes Committee on six occasions during the financial year.

The year was dominated by the sudden and unexpected rise in inflation that affected by pay awards and costs of materials and particularly power and fuel.

### Documents Attached and Explanation

A	Financial Statement	Accounting	This document provides an explanation of the income and expenditure for the year of account, comparing to the actual figures for the previous financial year and revised estimates for the year.
B	Statement of Funds		Provides a picture of the Councils funds including opening balances, income and expenditure amounts during the year, and the balance at 31 <sup>st</sup> March 2023
C	Write off Report		The standing orders requires that any write offs of income must be approved by the Council. There are no requests for write off approval in the last financial year.
D	Independent Internal Audit Report	Audit	Final Internal Audit report for the 2022-23 year.
E	Annual Return		This is the document we are required to sign and send to the statutory auditors for approval.

## 2.Summary of Results

The following table summarises the position: -

### Financial Accounts 2022-23

#### Overall Summary of Net Revenue Expenditure

	2021-22 Actuals	2022-23 Actuals	2022-23 Revised Estimate	Variation from Budget	2023-24 Estimates
Ref	£	£	£	£	£
1 Administration & Democratic	278309.50	366262.63	375597.00	-9334.37	581087.00
2 Tourist Information Centre	149468.37	180869.43	165362.00	15507.43	177864.00
3 Community	150455.14	154731.69	169633.00	-14901.31	158360.00
4 Allotments	4833.27	6068.53	4445.00	1624.53	3937.00
5 Churchyard	19374.70	19043.01	18750.00	294.01	19671.00
6 Public Cemetery	51314.79	31121.14	31626.00	-505.86	30746.00
7 Parks & Open Spaces	730889.82	721069.11	761550.00	-40480.89	813845.00
8 Public Conveniences	161048.82	186795.93	174955.00	11840.93	166720.00
9 Café in the Park	-4570.67	27134.52	17134.00	10000.52	-20774.00
10 Truro Library	202609.64	240371.02	231898.00	8473.02	208627.00
11 Lemon Quay	-2052.80	6305.46	14697.00	-8390.54	9580.00
<b>12 Net Base Expenditure</b>	<b>1741680.58</b>	<b>1939772.47</b>	<b>1965646.00</b>	<b>-25872.53</b>	<b>2149665.00</b>
<b>Funds &amp; Reserves</b>					
13 Finance Committee Revenue Fund	39200.00	-3400.00	-3400.00	0.00	13800.00
14 Finance Committee Buildings Fund	15300.00	-22132.53	11400.00	-33532.53	17000.00
15 Parks Committee Capital Fund	138000.00	131500.00	131500.00	0.00	136200.00
16 Devolution	0.00	0.00	0.00	0.00	0.00
Covid	17909.77	0.00	0.00	0.00	0.00
Inflation Contingency					66000.00
17 Revenue Balance Movement					
Contribution to Balance	0.00	0.00	0.00	0.00	0.00
Contribution from Balance	9299.26	0.00	59406.00	-59406.00	0.00
<b>18</b>	<b>1942791.09</b>	<b>2045739.94</b>	<b>2045740.00</b>	<b>0.94</b>	<b>2382665.00</b>
<b>LESS</b>					
19 Council Tax Support Grant	52054.09	26088.94	26089.00	-0.06	0.00
<b>20 Precept</b>	<b>1890737.00</b>	<b>2019651.00</b>	<b>2019651.00</b>	<b>1.00</b>	<b>2382665.00</b>

### 3.Funds & Revenue Reserve Balance

The year sees a decrease in the earmarked funds shown in Appendix B, from a balance of £1,005k at the beginning of the year to £359k at the end; provided the recommendations below are agreed. These funds all have a purpose and therefore do not represent monies that can support the Precept.

The Revenue Reserve, which is the only balance which is not earmarked for a specific purpose has an opening balance of £226K and this does not change during the year. The minimum requirement for the auditor is 10% of the precept i.e. £202k.

If the recommendations below are accepted then the balances on the earmarked funds at the year-end are as follows. The detailed figures for the year are shown in Appendix B

	Balance at 1st April 2022	Balance as at 31 <sup>st</sup> March 2023
	£'000	£'000
<b>Parks Capital Fund</b>	430	-25
<b>Finance Committee Buildings Fund</b>	350	235
<b>Finance Committee Revenue Fund</b>	216	144
<b>Hendra Development</b>	8	6

### 4.Write Offs

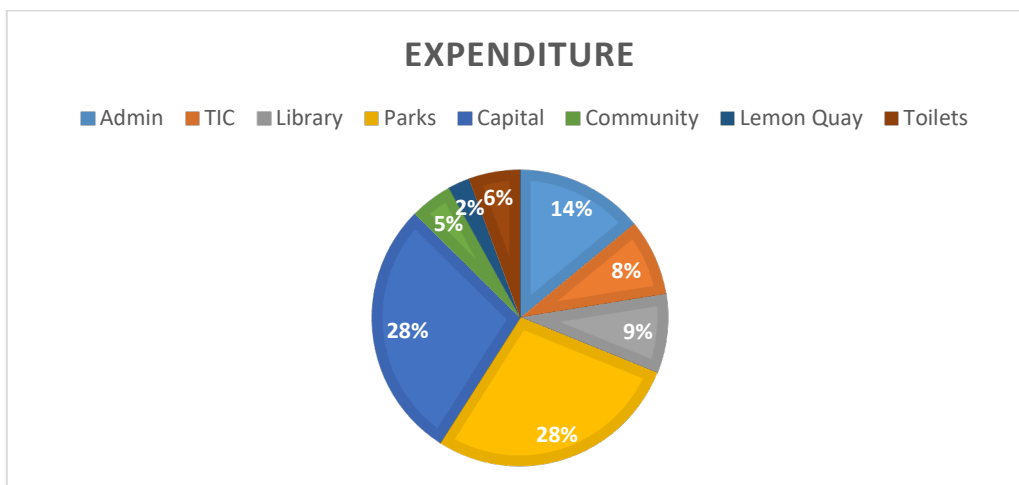
The Standing Orders require that any proposed write off of a bad debt is approved by the Council.

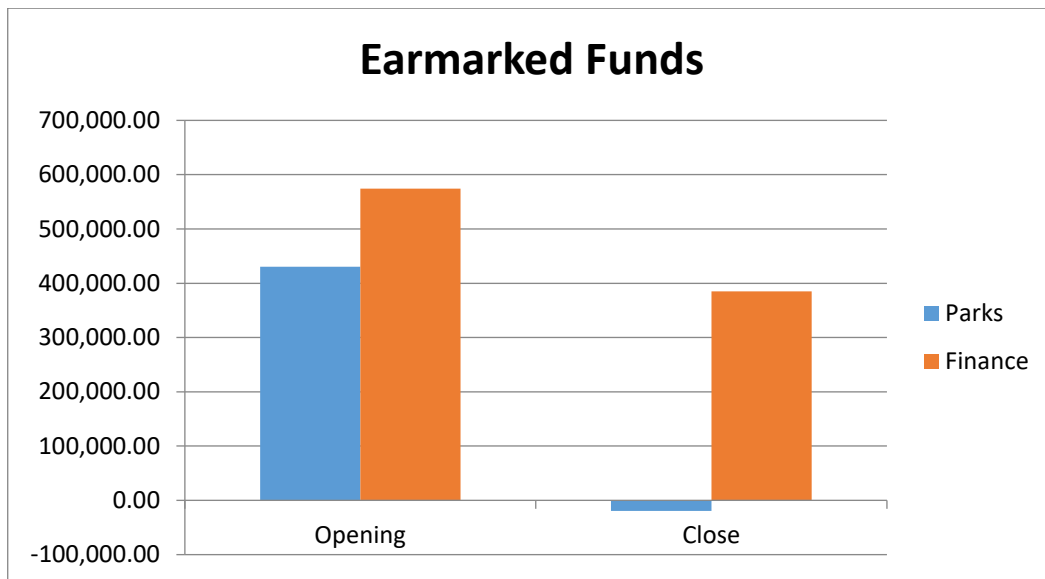
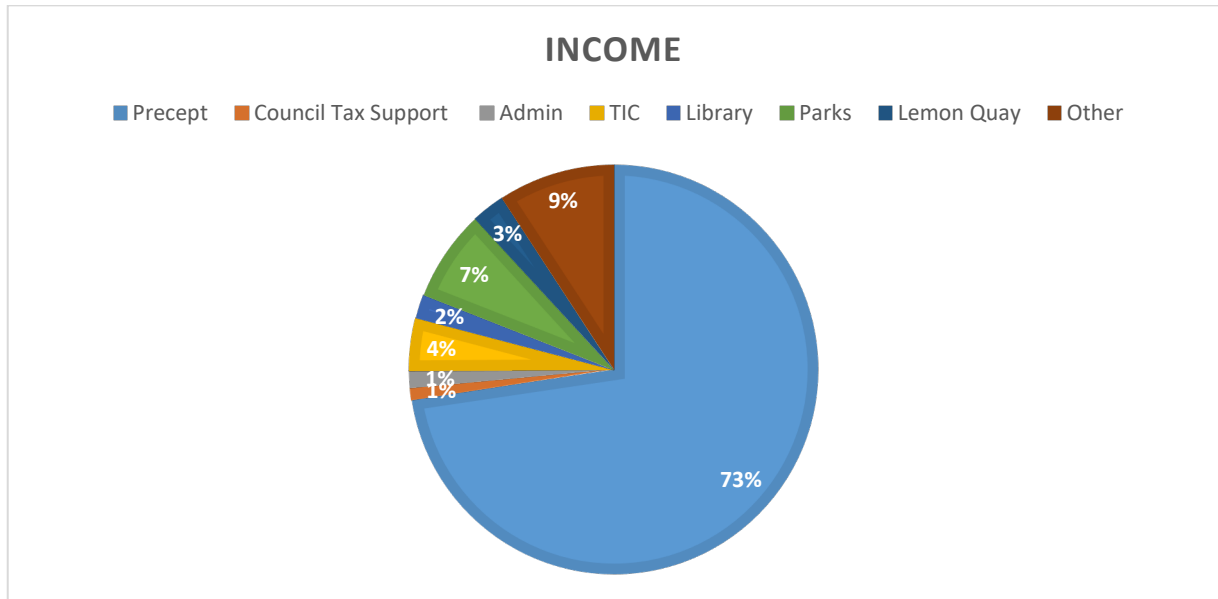
There are no write offs to request in the year.

### 5.Draft Annual Return

Appendix E contains the draft annual return which by law we have to sign and submit to the auditor by the end of June. The return reflects the accounts for the year.

### 6.Analysis of Income & Expenditure





## 8 Summary of Financial Year

It was at the October 2022 meeting of the Finance & General Purposes Committee that we were able to value accurately the impact of the two major pressures on the expenditure levels of the Council.

- The first and major issue we faced was the impact of inflation which had increased significantly in the weeks following the setting of the estimates in January 2022. This was caused by events outside of the control of the Council. A significant impact was the April 2022 nationally agreed pay award for the staff which cost £95,500 annual cost to the council. We also faced significant increases in the costs of good and services purchased, particularly energy (£10k increase) and fuel. These increase are measured against a contingency for inflation agreed as part of the estimates of £43k.
- The council had also agreed to restructuring costs which were identified at £70k for the year. Other increased costs and loss of revenue at this time amounted to £32k.

Mitigation was already underway and savings made in the Parks Department at £49k and by the delay to the reopening of the Municipal Offices a further £25k saving.

In overall terms, an increase in spending of £91k was identified. Further measures were put into place including;

- Supplies and equipment budgets retained at the estimated figures. (i.e. no inflation allowed)
- Delays to staff recruitment-

The principle was adopted that the Council would not breach any legal agreements with suppliers, customers, or staff.

By the time we considered the estimate for 2023-24 in the January Council meeting the overspend had reduced to £59k. The year end position as shown in these papers is £34k.

## **9 Capital Expenditure During Year**

A feature of the year has been the one off expenditure on both land purchase and development work.

As far as the land purchase is concerned the Council purchased ten acres of agricultural land at Coosebean Meadows at a cost, including fees of £252,500. The purchase cost was financed by S106 planning agreement monies, £210,000 from Cornwall Council and the remainder being temporarily transferred from another site in the City Council portfolio of S106 sites. In order to drawdown the £210k from Cornwall Council the planning designation of the land has to be amended from "agricultural" to "public open space". At the year end a planning consultant has been appointed to apply for this amendment.

As far as development work is concerned the year saw the construction of the Tennis pavilion at Boscawen Park. Expenditure during the year totalled £434,000. In terms of finance monies have been received as a grant from Sport England, and grant and loan from the Lawn tennis Association. Once the construction completion certificate is received (June 2023) we will be in a position to claim £129,000 from Cornwall Council in the form of a S106 planning contribution. Currently the balance of the cost is being met from internal reserves, but this will be reviewed once the final costs are known.

## **10. Financial Risks**

### **Municipal Building Repairs**

This risk was first reported at the end of the 2018-19 financial year. Due to delays to the building contract between the Hall for Cornwall and its contractor, and the discovery of significant structural problems with the clocktower, the position has only crystallised in more detail recently.

During the course of the last three financial years I have been advising the Council of the significant financial risk relating to the costs of repair of the Municipal Buildings. The Council has a long term lease of the building from Cornwall Council, the freeholder. The terms of the lease require the City Council to contribute 50% of the cost of external repairs. Cornwall Council is carrying out major structural repairs to the outside of the building at the same time as the refurbishment of the Hall for Cornwall i.e. in the 2019-20, 2020-21 and 2021-22 financial years. In overall terms this will result in the most efficient way to carry out the repairs. In 2022 the risk has been evaluated following a report from Cornwall Council on the latest position. This was the subject of reports to the Finance & General Purposes Committee.

There are two elements of cost. The first is for the fabric repairs carried out, and now completed, by the contractor employed for the Hall for Cornwall contract. Whilst the final account with the contractor has not been completed the estimate of cost that the City Council will bear is £541.6k.

The second is for the repairs to the clocktower. Cornwall Council has let a contract, the works have commenced with a completion date currently of the 21<sup>st</sup> August although the works are yet to start, which will result in an estimated cost to the City Council of between £850k and £900K

Cornwall Council has advised that it does not require payment of either of these sums until the end of the clocktower works.

The Council has an earmarked reserve with a balance of £139k to contribute towards the works and is holding a donation of £10k. Therefore, the Council will need to borrow in the region of £1.2m.

The estimated loan repayment costs for a loan from the Public Works Loans Board for this sum is estimated at £70,400 per full year, with a part year cost of £60,000 included in 2023-24 estimates.

### **Impact of Rising Costs**

I reported to the Finance & General Purposes Committee in March that I have concerns regarding the budget for 2023-24 and beyond due to rising prices. In turn that will lead to a larger pay award than assumed in the estimates. Included in the estimates was an inflation contingency of £66k which is sufficient to cover a 5% rise in prices and a 5% increase in pay rates for the April 2023 pay award.

The annual rate of inflation on supplies and equipment continues to run at a higher rate than 5%

The April 2023 pay award has not been settled but an offer has been made by the national employers that is significantly higher than the inflation provision. This is being considered by the unions which are balloting their members on strike action.

The Council already introduced a number of cost reductions during its budgetary process in January and more will need to be considered to balance the budget in this year and going forward.

The nature of this risk is such it is uncertain of its magnitude. The impact could be that there is an in-year financial loss recorded resulting in a reduction in the Revenue Reserve and for future years the council will need to consider either a rise in Precept or reduction in service.

## **9. Recommendations**

- 1 The Committee approve the Financial Accounts for the year 2022-23, noting the contribution from the Finance Committee Buildings Fund of £33,533.
- 2 To approve the transfers to earmarked funds. We are required to review the recommended contributions to the earmarked funds which the Council approved at the estimates meeting in January as well as any additional ones.

Therefore, it is proposed the following contributions to the funds are made: -

As agreed in the revised estimates:-

<b>Fund</b>	<b>Amount</b>
Finance Committee Revenue Fund	-£3,400
Finance Committee Buildings Fund	£11,400
Parks Committee Fund	£131,500

In addition, in recent years, the Council set up an Allotment Development Fund which is designed to meet costs in connection with the creation of new allotments, both the loan costs of the acquisition of land and the costs of developing the land for allotment use. It is recommended the sum of £2,787 is placed in this account, which was the sum approved as expenditure at revised estimates.

4 It is recommended that the sum of £33,533 is transferred from the Finance Committee Building Reserve.

5 Annual Return

a) To recommend to Council the approval of section 2 of the Annual return relating to the Accounting Statements

b) To recommend to Council that the Mayor be authorised to sign the Annual return for submission to the statutory auditor.

**Roger Gazzard**  
**Town Clerk**

## Appendix A

### Financial Accounts 2022-23

#### Overall Summary of Net Revenue Expenditure

	2021-22 Actuals	2022-23 Actuals	2022-23 Revised Estimate	Variation from Budget	2023-24 Estimates
Ref	£	£	£	£	£
1 Administration & Democratic	278309.50	366262.63	375597.00	-9334.37	581087.00
2 Tourist Information Centre	149468.37	180869.43	165362.00	15507.43	177864.00
3 Community	150455.14	154731.69	169633.00	-14901.31	158360.00
4 Allotments	4833.27	6068.53	4445.00	1624.53	3937.00
5 Churchyard	19374.70	19043.01	18750.00	294.01	19671.00
6 Public Cemetery	51314.79	31121.14	31626.00	-505.86	30746.00
7 Parks & Open Spaces	730889.82	721069.11	761550.00	-40480.89	813845.00
8 Public Conveniences	161048.82	186795.93	174955.00	11840.93	166720.00
9 Café in the Park	-4570.67	27134.52	17134.00	10000.52	-20774.00
10 Truro Library	202609.64	240371.02	231898.00	8473.02	208627.00
11 Lemon Quay	-2052.80	6305.46	14697.00	-8390.54	9580.00
<b>12 Net Base Expenditure</b>	<b>1741680.58</b>	<b>1939772.47</b>	<b>1965646.00</b>	<b>-25872.53</b>	<b>2149665.00</b>
<b>Funds &amp; Reserves</b>					
13 Finance Committee Revenue Fund	39200.00	-3400.00	-3400.00	0.00	13800.00
14 Finance Committee Buildings Fund	15300.00	-22132.53	11400.00	-33532.53	17000.00
15 Parks Committee Capital Fund	138000.00	131500.00	131500.00	0.00	136200.00
16 Devolution	0.00	0.00	0.00	0.00	0.00
Covid	17909.77	0.00	0.00	0.00	0.00
Inflation Contingency					66000.00
17 Revenue Balance Movement					
Contribution to Balance	0.00	0.00	0.00	0.00	0.00
Contribution from Balance	9299.26	0.00	59406.00	-59406.00	0.00
<b>18</b>	<b>1942791.09</b>	<b>2045739.94</b>	<b>2045740.00</b>	<b>0.94</b>	<b>2382665.00</b>
<b>LESS</b>					
19 Council Tax Support Grant	52054.09	26088.94	26089.00	-0.06	0.00
<b>20 Precept</b>	<b>1890737.00</b>	<b>2019651.00</b>	<b>2019651.00</b>	<b>1.00</b>	<b>2382665.00</b>

## Tourist Information Centre

Vote No	Description	2021-22 Actuals £	2022-23 Actuals £	2022-23 Revised Estimate £	Variation from Budget £	2023-24 Estimates £
	<b>Employees</b>					
5000	Salary Costs	128688.84	144945.88	144298.00	647.88	145894.00
6000	Training	25.00	50.00	307.00	-257.00	1173.00
6002	Clothing	0.00	0.00	12.00	-12.00	437.00
	<b>Premises Costs</b>					
6100	Repairs & Maintenance	1119.00	1767.46	2040.00	-272.54	1162.00
6101	Rent	36129.61	36350.03	36340.00	10.03	35526.00
6102	Rates	16711.02	16772.09	16772.00	0.09	17551.00
6103	Cleaning	5204.59	4957.77	5220.00	-262.23	5473.00
6104	Furniture & Equipment	361.70	722.19	510.00	212.19	241.00
6300/6301	Power & Water	1885.67	2381.41	2117.00	264.41	2907.00
	<b>Office Costs</b>					
6307	Insurance	1785.00	1666.00	1666.00	0.00	2075.00
6401	Printing	1109.03	1408.76	1277.00	131.76	824.00
6404	Telephone	2824.80	2567.06	2867.00	-299.94	3021.00
6407	Computer Costs	1619.40	2386.39	2000.00	386.39	2150.00
6400	Stationery	1122.20	2110.62	2147.00	-36.38	1852.00
6403	Postage	8.95	16.41	44.00	-27.59	53.00
6409	Card Charges	3655.60	3549.44	3664.00	-114.56	3824.00
	<b>Purchase of Sale Items</b>					
6802/6501	Tickets	1457.25	5946.96	3512.00	2434.96	17503.00
6502	General Sale Goods	58418.28	49045.47	55801.00	-6755.53	60149.00
	<b>Miscellaneous</b>					
6801	Truro Guide Costs	19052.40	13440.00	14000.00	-560.00	14840.00
6799	Miscellaneous	2.82	169.11	675.00	-505.89	1246.00
6408	Administration recharge	5100.00	5151.00	5151.00	0.00	5203.00
	<b>Gross Expenditure</b>	<b>286281.16</b>	<b>295404.05</b>	<b>300421.00</b>	<b>-5015.95</b>	<b>323103.00</b>
	<b>Income</b>					
4003	Sales	102439.24	81975.67	102165.00	-20189.33	100345.00
4001	Tickets	3099.90	3424.90	5353.00	-1928.10	17353.00
4201	Rents	9600.00	9600.00	9600.00	0.00	9600.00
4100/4107	Registration/ Misc Fees	2421.65	289.05	2441.00	-2151.95	2441.00
4007	Contract Work	11500.00	11500.00	11500.00	0.00	11500.00
4105	Truro Guide Income	3283.00	4000.00	4000.00	0.00	4000.00
4910	Parks re charge-Tennis	2000.00	0.00	0.00	0.00	0.00
	Contribution to salary	0.00	3745.00	0.00	3745.00	0.00
	Furlough Income	2469.00	0.00	0.00	0.00	0.00
	<b>Gross Income</b>	<b>136812.79</b>	<b>114534.62</b>	<b>135059.00</b>	<b>-20524.38</b>	<b>145239.00</b>
	<b>Net Expenditure</b>	<b>149468.37</b>	<b>180869.43</b>	<b>165362.00</b>	<b>15507.43</b>	<b>177864.00</b>

## Community Work

Vote No	Description	2021-22 Actuals	2022-23 Actuals	2022-23 Revised Estimate	Variation from Budget	2023-24 Estimates
		£	£	£	£	£
<b>Employees</b>						
5000	Salary & Wage Costs	42010.76	45141.30	44302.00	839.30	45452.00
6001	Travelling	0.00	0.00	62.00	-62.00	112.00
6000	Training/Conferences	51.00	415.00	106.00	309.00	66.00
<b>Office Costs</b>						
6408	Administration Recharge	5412.00	5466.00	5466.00	0.00	5521.00
6410	Culture Strategy	5202.00	5202.00	5202.00	0.00	4792.00
6304	Grant Advice	0.00	0.00	2207.00	-2207.00	1339.00
6307	Insurance	538.00	555.00	555.00	0.00	704.00
6407	Computer Costs	619.19	636.60	341.00	295.60	361.00
<b>Grants &amp; Donation</b>						
6723	Moresk Day Centre	0.00	0.00	0.00	0.00	0.00
6305	Xmas Tree	458.33	50.00	50.00	0.00	72.00
6703	Public Space CCTV	34194.26	35847.26	35755.00	92.26	37900.00
6714	Twinning Associations	60.00	1217.50	2915.00	-1697.50	970.00
6712	CAB	5477.00	5477.00	5477.00	0.00	5280.00
6716	Street Pastors	5208.00	5000.00	5000.00	0.00	4800.00
6717/6718	Music Festival	4265.00	0.00	250.00	-250.00	2120.00
6722	Social Presribing	9999.60	6694.68	8000.00	-1305.32	4600.00
6719	Young People Cornwall	25000.00	25000.00	25000.00	0.00	24000.00
6721	Community Grants	9082.00	9053.00	9053.00	0.00	9596.00
	Consultation	0.00	0.00	0.00	0.00	
6724	ASB Officer contribution	6700.00	12657.00	23700.00	-11043.00	14468.00
6799	Miscellaneous	212.00	353.35	226.00	127.35	240.00
		<b>154489.14</b>	<b>158765.69</b>	<b>173667.00</b>	<b>-14901.31</b>	<b>162394.00</b>
<b>Gross Expenditure</b>						
<b>Income</b>						
4002	Contribution from(-to) Fund	0.00	0.00	0.00	0.00	0.00
4200/4201	Rents from Buildings	4034.00	4034.00	4034.00	0.00	4034.00
	<b>Gross Income</b>	<b>4034.00</b>	<b>4034.00</b>	<b>4034.00</b>	<b>0.00</b>	<b>4034.00</b>
<b>Net Expenditure</b>						
		<b>150455.14</b>	<b>154731.69</b>	<b>169633.00</b>	<b>-14901.31</b>	<b>158360.00</b>

# Truro Library

Vote No	Description	2021-22 Actuals	2022-23 Actuals	2022-23 Revised Estimate	Variation from Budget	2023-24 Estimates
		£	£	£	£	£
	<b>Employees</b>					
5000	Wages Costs	197355.38	199012.91	195237.00	3775.91	182429.00
	<b>Premises</b>					
6002	Protective Clothing	0.00	0.00	100.00	-100.00	100.00
6100	Repair & Maintenance	3559.62	4574.99	3000.00	1574.99	3180.00
6102	Rates	22834.14	22917.59	22918.00	-0.41	23982.00
6103	Cleaning Materials	3910.65	20498.54	23000.00	-2501.46	8180.00
6300	Gas and Electric and water	25527.14	36190.32	30000.00	6190.32	32000.00
6303	Equipment and Materials	1319.14	652.22	700.00	-47.78	742.00
6307	Insurance	2464.00	2503.00	2503.00	0.00	2612.00
6104	Waste Collection	1712.50	1011.64	1750.00	-738.36	1930.00
6404	Telephones	126.02	156.21	157.00	-0.79	158.00
6407	Computer costs	273.85	10.45	500.00	-489.55	530.00
6408	Administraton Recharge	5050.00	5101.00	5101.00	0.00	5152.00
6704	Community Events	404.30	346.16	1000.00	-653.84	1000.00
	<b>Gross Expenditure</b>	<b>264536.74</b>	<b>292975.03</b>	<b>285966.00</b>	<b>7009.03</b>	<b>261995.00</b>
	<b>Income</b>					
4201	Rental	38505.00	34817.72	37068.00	-2250.28	37068.00
4200	Room Lettings	7291.69	11955.24	10000.00	1955.24	11300.00
4202	Fees and Charges	10344.41	5831.05	7000.00	-1168.95	5000.00
	Furlough Income	5786.00	0.00	0.00	0.00	0.00
	<b>Gross Income</b>	<b>61927.10</b>	<b>52604.01</b>	<b>54068.00</b>	<b>-1463.99</b>	<b>53368.00</b>
	<b>Net Expenditure</b>	<b>202609.64</b>	<b>240371.02</b>	<b>231898.00</b>	<b>8473.02</b>	<b>208627.00</b>

## Lemon Quay

Vote No	Description	2021-22 Actuals	2022-23 Actuals	2022-23 Revised Estimate	Variation from Budget	2023-24 Estimates
		£	£	£	£	£
	<b>Employees</b>					
5000	Wages Costs	43371.66	44119.83	48289.00	-4169.17	57982.00
	<b>Premises</b>					
6100	Repair & Maintenance	543.95	575.80	1040.00	-464.20	1102.00
6103	Cleaning and Waste management	6000.00	15303.63	15304.00	-0.37	19184.00
6300	Gas and Electric	99.65	-305.45	240.00	-545.45	664.00
6301	Water	89.77	139.30	340.00	-200.70	360.00
6307	Insurance	472.00	822.00	822.00	0.00	798.00
6407	Computer Costs	3024.06	3000.00	3000.00	0.00	3180.00
6704	Event Costs	640.53	1614.22	5283.00	-3668.78	5600.00
6720	Community Events	12554.06	9803.13	9803.00	0.13	10391.00
6722	Winter Gift Fayre	0.00	0.00	0.00	0.00	55000.00
6799	Miscellaneous	0.00	1015.99	204.00	811.99	216.00
6408	Administraton Recharge	4080.00	4121.00	4121.00	0.00	4162.00
	<b>Gross Expenditure</b>	<b>70875.68</b>	<b>80209.45</b>	<b>88447.00</b>	<b>-8236.55</b>	<b>158640.00</b>
	<b>Income</b>					
4201	Rental from Leases	17072.00	20763.99	20000.00	763.99	10000.00
4200	Event rentals	44856.48	50390.00	51000.00	-610.00	64060.00
4202	Winter Gift Fayre	0.00	0.00	0.00	0.00	75000.00
	Contribution to salary	11000.00	2750.00	2750.00	0.00	0.00
	<b>Gross Income</b>	<b>72928.48</b>	<b>73903.99</b>	<b>73750.00</b>	<b>153.99</b>	<b>149060.00</b>
	<b>Net Expenditure</b>	<b>-2052.80</b>	<b>6305.46</b>	<b>14697.00</b>	<b>-8390.54</b>	<b>9580.00</b>

## Allotments

Vote No	Description	2021-22 Actuals	2022-23 Actuals	2022-23 Revised Estimate	Variation from Budget	2023-24 Estimates
		£	£	£	£	£
	<b>Employees</b>					
5000	Wages Costs	3564.65	3665.83	3558.00	107.83	3913.00
	<b>Premises</b>					
6100	Repair & Maintenance	921.00	921.00	921.00	0.00	976.00
6301	Water	1115.64	1854.69	578.00	1276.69	581.00
6110	Allotment Development	2787.00	2787.00	2787.00	0.00	2954.00
	<b>Gross Expenditure</b>	<b>8388.29</b>	<b>9228.52</b>	<b>7845.00</b>	<b>1384.52</b>	<b>8425.00</b>
	<b>Income</b>					
4201	Allotments	3555.02	3159.99	3400.00	-240.01	4488.00
	<b>Gross Income</b>	<b>3555.02</b>	<b>3159.99</b>	<b>3400.00</b>	<b>-240.01</b>	<b>4488.00</b>
	<b>Net Expenditure</b>	<b>4833.27</b>	<b>6068.53</b>	<b>4445.00</b>	<b>1624.53</b>	<b>3937.00</b>

## Kenwyn Churchyard

Vote No	Description	2021-22 Actuals £	2022-23 Actuals £	2022-23 Revised Estimate £	Variation from Budget £	2023-24 Estimates £
<b>Employees</b>						
5000	Wages Costs	14258.70	14663.33	14234.00	429.33	15651.00
<b>Premises</b>						
6100	Repair & maintenance	2533.00	2533.00	2533.00	0.00	2685.00
<b>Transport</b>						
6200	Petrol & Oil	1388.00	1973.00	1973.00	0.00	1424.00
<b>Supplies &amp; Services</b>						
6303	Equipment & materials	1195.00	1035.00	1035.00	0.00	938.00
<b>Gross Expenditure</b>		<b>19374.70</b>	<b>20204.33</b>	<b>19776.00</b>	<b>429.33</b>	<b>20697.00</b>
<b>Income</b>						
4007	Contract Work	0.00	1161.32	1026.00	135.32	1026.00
4104	Burial fees	0.00	0.00	0.00	0.00	0.00
<b>Gross Income</b>		<b>0.00</b>	<b>1161.32</b>	<b>1026.00</b>	<b>135.32</b>	<b>1026.00</b>
<b>Net Expenditure</b>		<b>19374.70</b>	<b>19043.01</b>	<b>18750.00</b>	<b>294.01</b>	<b>19671.00</b>

## Public Cemetery

Vote No	Description	2021-22 Actuals	2022-23 Actuals	2022-23 Revised Estimate	Variation from Budget	2023-24 Estimates
		£	£	£	£	£
<b>Employees</b>						
5000	Wages Costs	57034.69	36623.28	35585.00	1038.28	39126.00
<b>Premises</b>						
6100	Repair & maintenance	1842.00	2384.22	1842.00	542.22	1953.00
6102	Rates	6112.75	6112.75	6113.00	-0.25	6200.00
<b>Transport</b>						
6200	Petrol & Oil	2777.00	3947.00	3947.00	0.00	2848.00
6201	Repair & Maintenance	1701.00	1381.00	1381.00	0.00	1144.00
6202	Hired Plant	0.00	2400.00	0.00	2400.00	0.00
<b>Supplies &amp; Services</b>						
6300	Gas & Electricity	80.00	80.00	80.00	0.00	80.00
6301	Water	248.64	289.00	200.00	89.00	200.00
6303	Equipment & Materials	1405.00	1217.00	1217.00	0.00	1102.00
<b>Establishment Expenses</b>						
6404	Telephones	301.71	291.89	400.00	-108.11	400.00
6408	Admin recharge	5000.00	5050.00	5050.00	0.00	5101.00
	<b>Gross Expenditure</b>	<b>76502.79</b>	<b>59776.14</b>	<b>55814.00</b>	<b>3961.14</b>	<b>58153.00</b>
<b>Income</b>						
4104	Burial fees	25188.00	28655.00	24188.00	4467.00	27407.00
	<b>Gross Income</b>	<b>25188.00</b>	<b>28655.00</b>	<b>24188.00</b>	<b>4467.00</b>	<b>27407.00</b>
	<b>Net Expenditure</b>	<b>51314.79</b>	<b>31121.14</b>	<b>31626.00</b>	<b>-505.86</b>	<b>30746.00</b>

## Parks & Open Spaces

Vote No	Description	2021-22 Actuals	2022-23 Actuals	2022-23 Revised Estimate	Variation from Budget	2023-24 Estimates
		£	£	£	£	£
<b>Employees</b>						
5000	Wages Costs	641156.69	635605.80	658313.00	-22707.20	723839.00
6001	Travelling Expenses	0.00	61.20	103.00	-41.80	169.00
6000	Training	7236.60	8717.00	8717.00	0.00	27240.00
6002	Protective Clothing	4010.04	4952.95	5127.00	-174.05	5435.00
6007	Contract Work	1275.00	0.00	0.00	0.00	-80.00
<b>Premises</b>						
6100	Repair & Maintenance	45397.45	38145.46	40760.00	-2614.54	43206.00
6101	Rent	1382.46	1533.72	1316.00	217.72	1395.00
6102	Rates	1771.46	1185.13	598.00	587.13	847.00
6105	Play Equipment Repairs	2360.00	295.00	3047.00	-2752.00	3230.00
6106	Seats, Gates ,Fencing	33.89	158.46	2193.00	-2034.54	1325.00
6107	Gritting	0.00	0.00	1062.00	-1062.00	-42.00
6109	Idless Nursery	16394.00	15165.16	15166.00	-0.84	15166.00
<b>Transport</b>						
6200	Petrol & Oil	10788.86	14782.85	16006.00	-1223.15	11550.00
6201	Repair & Maintenance	16491.82	15174.58	15886.00	-711.42	13159.00
6202	Hired Plant & Equipment	1592.88	1656.69	1118.00	538.69	-815.00
6203	Licences	1681.26	2507.50	1873.00	634.50	1985.00
<b>Supplies &amp; Services</b>						
6300	Gas & Electricity	8779.03	16418.88	13369.00	3049.88	13438.00
6301	Water	1594.52	3592.91	5307.00	-1714.09	5669.00
6302	Plants & Seeds	13201.95	5644.26	15276.00	-9631.74	16193.00
6303	Equipment & Materials	25343.61	18643.28	23633.00	-4989.72	21399.00
6306	Health & Safety	9170.87	7932.81	8093.00	-160.19	8579.00
<b>Establishment Expenses</b>						
6404	Telephones	483.39	441.10	1414.00	-972.90	1523.00
6407	Computer Costs	1042.25	1247.52	1700.00	-452.48	742.00
6408	Administration Recharge	2000.00	0.00	0.00	0.00	0.00
6409	Commision Charges - Tennis	628.06	490.82	600.00	-109.18	736.00
6307	Insurance	9688.00	9765.00	9765.00	0.00	10430.00
<b>Miscellaneous</b>						
6708	Loan Repayment - Tennis	25441.18	25441.18	26000.00	-558.82	26000.00
6705	Summer Activities	961.41	8084.53	6738.00	1346.53	6142.00
6706	Gardens Competition	92.00	711.04	786.00	-74.96	333.00
6707	Britain in Bloom	1200.00	135.92	1221.00	-1085.08	914.00
6709	Advertising	75.00	60.00	243.00	-183.00	498.00
6799	Miscellaneous	26.04	14.49	102.00	-87.51	108.00
<b>Gross Expenditure</b>		<b>851299.72</b>	<b>838565.24</b>	<b>885532.00</b>	<b>-46966.76</b>	<b>960311.00</b>

## Parks & Open Spaces

Vote No	Description	2021-22 Actuals	2022-23 Actuals	2022-23 Revised Estimate	Variation from Budget	2023-24 Estimate
		£	£	£	£	£
	<b>Income</b>					
4005/4006	Floral Displays	22172.95	21339.02	26649.00	-5309.98	33313.00
4007	Contract Work	24671.70	20984.67	23310.00	-2325.33	28743.00
4008	County Council Agency	7576.82	7576.82	7577.00	-0.18	7577.00
4101	Use of Pitches	4874.34	4377.50	5275.00	-897.50	6302.00
4102	Tennis	24505.75	20081.69	24549.00	-4467.31	29804.00
4103	Trading Rights	10895.00	11663.56	11663.00	0.56	13012.00
4200	Site Rentals	3261.12	3556.04	3596.00	-39.96	3952.00
4209	Sponsorship	4000.00	2000.00	3000.00	-1000.00	4400.00
4009	Investment Interest	18116.22	25842.03	18000.00	7842.03	19000.00
4900	Miscellaneous	336.00	74.80	363.00	-288.20	363.00
	<b>Gross Income</b>	<b>120409.90</b>	<b>117496.13</b>	<b>123982.00</b>	<b>-6485.87</b>	<b>146466.00</b>
	<b>Net Expenditure</b>	<b>730889.82</b>	<b>721069.11</b>	<b>761550.00</b>	<b>-40480.89</b>	<b>813845.00</b>

## Public Conveniences

Vote No	Description	2021-22 Actuals	2022-23 Actuals	2022-23 Revised Estimate	Variation from Budget	2023-24 Estimates
		£	£	£	£	£
<b>Employees</b>						
5000	Salary & Wage Costs	94503.74	104984.95	102430.00	2554.95	90371.00
6000	Training/Conferences	0.00	0.00	233.00	-233.00	247.00
6002	Clothing	271.17	222.59	552.00	-329.41	585.00
<b>Premises</b>						
6100	Repair & Maintenance	8276.40	7121.00	7121.00	0.00	8608.00
6103	Cleaning	17605.31	28886.61	18618.00	10268.61	19735.00
<b>Supplies &amp; Services</b>						
6300	Gas & Electricity	3371.92	4757.92	4545.00	212.92	4072.00
6301	Water	19012.67	22368.31	19009.00	3359.31	20150.00
6306	Health & Safety	5850.95	5533.18	9297.00	-3763.82	9855.00
6307	Insurance	1144.00	1316.00	1316.00	0.00	1381.00
<b>Office Costs</b>						
6405	Telephones	167.91	156.21	233.00	-76.79	247.00
6408	Administration Recharge	5412.00	5466.00	5466.00	0.00	5521.00
<b>Vehicle Costs</b>						
6200	Fuel	664.00	664.00	664.00	0.00	704.00
6201	Repair & Maintenance	620.00	620.00	620.00	0.00	657.00
6203	Licences	-110.41	290.00	308.00	-18.00	326.00
<b>Miscellaneous</b>						
6708	Loan Charges	6059.16	6059.16	6060.00	-0.84	6060.00
6799	Miscellaneous	0.00	0.00	103.00	-103.00	109.00
<b>Gross Expenditure</b>		<b>162848.82</b>	<b>188445.93</b>	<b>176575.00</b>	<b>11870.93</b>	<b>168628.00</b>
<b>Income</b>						
4007	Contract Work	1800.00	1650.00	1620.00	30.00	1908.00
<b>Gross Income</b>		<b>1800.00</b>	<b>1650.00</b>	<b>1620.00</b>	<b>30.00</b>	<b>1908.00</b>
<b>Net Expenditure</b>		<b>161048.82</b>	<b>186795.93</b>	<b>174955.00</b>	<b>11840.93</b>	<b>166720.00</b>

## Café in the Park

Vote No	Description	2021-22 Actuals	2022-23 Actuals	2022-23 Revised Estimate	Variation from Budget	2023-24 Estimates
		£	£	£	£	£
5000	Wages	85888.32	85164.12	99644.00	-14479.88	115140.00
6004	Purchase of Sale Items	46807.14	41478.68	39332.00	2146.68	66692.00
6100	Repair & maintenance	2697.00	244.60	2697.00	-2452.40	1859.00
6102	Local Authority Rates	2594.80	2594.80	2595.00	-0.20	6776.00
6103	Cleaning materials	208.96	290.18	175.00	115.18	1186.00
6300	Electricity	1144.00	1144.00	1144.00	0.00	2830.00
6301	Water	724.00	724.00	724.00	0.00	1267.00
6303	Equipment and materials	714.25	505.46	250.00	255.46	265.00
6404	Telephones	682.09	781.34	800.00	-18.66	848.00
6408	Admin recharge	1100.00	1111.00	1111.00	0.00	1122.00
6407	Computer costs	18.92	0.00	50.00	-50.00	53.00
6409	Card Machine Charges	982.53	1185.35	1000.00	185.35	1189.00
6307	Insurance	910.00	1011.00	1011.00	0.00	1403.00
	<b>Gross Expenditure</b>	144472.01	136234.53	150534.00	-14299.47	200630.00
	<b>Income</b>					
	Sales	149042.68	109100.01	133400.00	-24299.99	221404.00
	<b>Gross Income</b>	149042.68	109100.01	133400.00	-24299.99	221404.00
	<b>Net Expenditure</b>	-4570.67	27134.52	17134.00	10000.52	-20774.00

## Appendix B Statement of Funds

### PARKS CAPITAL FUND

	3000	
<b>Parks Plant Renewals Fund</b>		<b>£</b>
Balance as at 1st April 2022		13,766.93
add		
Contribution from Precept 2022-23		35,000.00
Income from sales		3,195.00
less		
Expenditure		<u>17,690.50</u>
<b>Balance as at 31st March 2023</b>		<b><u><u>34,271.43</u></u></b>
	<b>3001</b>	
<b>Parks Capital Maintenance Fund</b>		<b>£</b>
Balance as at 1st April 2022		161,402.07
add		
Contribution from Precept 2022-23		56,500.00
Income		0.00
less		
Expenditure		<u>155,738.07</u>
<b>Balance as at 31st March 2023</b>		<b><u><u>62,164.00</u></u></b>
	<b>3002</b>	
<b>Parks Play Equipment Fund</b>		<b>£</b>
Balance as at 1st April 2022		10,126.29
add		
Contribution from Precept 2022-23		20,400.00
Income from External Sources		0.00
less		
Expenditure		<u>26,393.00</u>
<b>Balance as at 31st March 2023</b>		<b><u><u>4,133.29</u></u></b>
	<b>3004</b>	
<b>Allotment Development Fund</b>		<b>£</b>
Balance as at 1st April 2022		73,256.00
add		
Contribution from Precept 2022-23		0.00
Income from External Sources		2,787.00
Balance from reserve		0.00
less		
Expenditure		<u>0.00</u>
<b>Balance as at 31st March 2023</b>		<b><u><u>76,043.00</u></u></b>

<b>Victoria &amp; Cemetery Lodge Fund</b>		£
	<b>3003</b>	
Balance as at 1st April 2022		20,029.31
add		
Contribution from Precept 2022-23		0.00
Income from External Sources		6,749.88
less		
Expenditure		6,747.09
<b>Balance as at 31st March 2023</b>		<b>20,032.10</b>
<b>Nursery Development</b>		£
	<b>3006</b>	
Balance as at 1st April 2022		0.00
add		
Contribution from Precept 2022-23		0.00
Income		57,478.74
Less		
Expenditure		61,668.26
<b>Balance as at 31st March 2023</b>		<b>-4,189.52</b>
<b>Resurfacing</b>		£
	<b>3005</b>	
Balance as at 1st April 2022		89,818.19
add		
Contribution from Precept 2022-23		0.00
Income		0.00
Less		
Expenditure		82,746.44
<b>Balance as at 31st March 2023</b>		<b>7,071.75</b>
<b>Tennis Development Fund</b>		
	<b>3008</b>	
Balance as at 1st April 2022		9,399.31
add		
Contribution from Precept 2022-23		0.00
Income		115,000.00
Less		
Expenditure		434,080.19
<b>Balance as at 31st March 2023</b>		<b>-309,680.88</b>
<b>Tennis Court Refurbishment</b>		
	<b>3015</b>	
Balance as at 1st April 2022		33,600.00
add		
Contribution from Precept 2022-23		9,600.00
Income		
Less		
Expenditure		
<b>Balance as at 31st March 2023</b>		<b>43,200.00</b>

**Public Convenience Refurbishment**

	3017	
Balance as at 1st April 2022		18,980.06
add		
Contribution from Precept 2022-23		10,000.00
Income		20,000.00
Less		
Expenditure		7,225.00
<b>Balance as at 31st March 2023</b>		<b>41,755.06</b>

**PARKS CAPITAL FUND BALANCE AT**

**31st March 2023** **-25,199.77**

**FINANCE COMMITTEE BUILDINGS FUND**

<b>3011/3012/3013/3016/3022</b>	<b>£</b>
Balance as at 1st April 2022	350,140.67
add	
Contribution from Precept 2022-23	-22,132.53
Transfer from Revenue Reserve	0.00
Income	0.00
less	
Expenditure	92,974.08
<b>Balance as at 31st March 2023</b>	<b>235,034.06</b>

**FINANCE COMMITTEE REVENUE FUNDS**

<b>3014/3021/3024/3025/3026/3060/3062/3063/3064/3065/3066</b>	<b>£</b>
Balance as at 1st April 2022	216,375.34
add	
Contribution from Precept 2022-23	-5,116.23
Income from external Sources	49,930.56
less	
Expenditure	117,511.26
<b>Balance as at 31st March 2023</b>	<b>143,678.41</b>

**HENDRA DEVELOPMENT**

	£
	3080
Balance as at 1st April 2022	7,906.70
add	
Contribution from Precept 2022-23	0.00
Car park Fees etc	3,316.67
Interest	0.00
Transfer	
less	
Expenditure	5,239.50
<b>Balance as at 31st March 2023</b>	<b>5,983.87</b>

	Funds
	£
Total Balances as at 1st April 2022	1,004,800.87
add	
Contribution from Precept	62,038.24
Income from External Sources	255,670.85
Transfer In / Out	0.00
less	
Expenditure	963,013.39
<b>Total Balances at 31st March 2023</b>	<b>359,496.57</b>

## Appendix C

None



HUDSON ACCOUNTING LTD.  
INTERNAL AUDIT REPORT:  
TO THE MEMBERS OF TRURO CITY COUNCIL  
YEAR ENDED 31ST MARCH 2023.

ISSUE DATE: 01/06/2023  
ISSUED TO: CLERK

**INTRODUCTION:**

Internal auditing is an independent, objective assurance activity designed to improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

**Scope:**

The scope of the audit covers, as a minimum, the areas included in the Internal Audit Report contained in the Annual Governance & Accountability Return.

**Approach:**

Audit work is carried out in line with the Chartered Institute of Public Finance and Accountancy's Internal Audit Standards and guidance issued by the National Association of Local Councils.

Where applicable we have included reference to 'proper practice' and the associated guidance as laid out in 'Governance & Accountability for Smaller Authorities in England' which is applicable to financial years from 1st April 2022.

Selective testing was carried out and the relevant policies, procedures and controls were reviewed.

**GENERAL COMMENTS:**

We would like to thank the staff for their assistance and co-operation during the audit.

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

It should be noted that assurance can never be absolute. The most that the internal audit service can provide is a reasonable assurance that there are no major weaknesses in risk management, governance, and control processes. The audit does not guarantee that the accounting records are free from fraud or error.

***The review undertaken obtained a level of assurance which has allowed us to complete the Internal Audit Report element of the Annual Governance & Accountability Return with no qualifications other than it did not review its risk assessment during the year. In all other significant respects, the control objectives were achieved throughout the financial year to a standard adequate to meet the needs of the Council.***

We have provided a table of audit recommendations that allow for the Council's response which can be used as an ongoing monitoring tool. We would be grateful if, in due course, it was completed and returned to us.

**AUDIT COMMENTARY:**

Items in **bold text** within the body of the report represent our findings in respect of the application of controls, text in *italics* represent suggested actions that fall short of being a formal recommendation or do not necessarily pertain to the application of internal controls.

**Previous Recommendations**

**The current position in respect of previous recommendations is included in the attached Internal Audit Response Record.**

**Accounting Records**

**The accounts have been properly maintained throughout the year.**

**Payments**

A sample of payments was tested to establish whether the spending decision, procurement process, certification and approval for payment were in line with Financial Regulations as well as ensuring that payments were supported by invoices, VAT was correctly accounted for, and payment controls were applied.

*Payment*

**Further testing revealed no issues to report.**

*Grants*

**A sample of grants awarded was cross referenced to Member approvals – all were found to be in order.**

**Risk***Insurance*

**The Fidelity Guarantee remains adequate at £5 million.**

*Risk*

**The Council did not review the risk register until April 2023 thus not meeting the requirements of the Annual Governance Statement in respect of risk management.**

*The Council will need to answer 'No' to Assertion 5 on the Annual Governance Statement and provide the external auditor with an explanation.*

**Budgets***Setting*

**The budget and precept were properly approved by Full Council in January 2023 following a robust process.**

*Monitoring*

**Budget monitoring has been carried out in line with the requirements of Financial Regulations and is comprehensive in nature.**

*Adequacy of Reserves*

**After allowing for earmarked reserves of £ 393,029 the general reserve stands at £192,931; equating to 10% of net revenue expenditure, slightly above the figure predicted in the Council's budget setting calculations, but below recommended levels set out in proper practice guidance.**

**Income**

Systems were tested to ensure that suitable controls are in place to ensure that all income is received in a timely manner, that charges are correctly applied and that any cash received is promptly receipted and banked.

*Library*

**Library income is controlled via a till, is regularly banked and is posted to the ledger in a timely manner. Testing revealed no issues to report.**

*Lemon Quay*

**Agreements are issued and invoices have been raised in line with the agreed fee structure.**

**There are instances where the previous years fees have been applied based on the time of the booking rather than the rental date.**

*There does not appear to be an agreed policy on this matter which is something that should be put in place to ensure a consistent application of whatever is decided.*

*Allotments*

**The spreadsheets used to manage allotment receipts could not be reconciled to the ledger due to them not being up to date.**

*The Finance staff have agreed to take over the population of the spreadsheet to ensure that all data is captured and that it agrees with the ledger.*

*Contract Works*

**Formal Agreements were not in place for the sample of contract works selected, all of which have been undertaken for a long period.**

**Recommendation 1**

**Agreements should be put in place for all contracted works carried out by the Council.**

*VAT*

**VAT claims for the year have been submitted.**

**The year-end claim and the balance in the accounts are not in agreement – the reason should be ascertained and any adjustments required made.**

**Petty Cash**

**Petty cash is sparingly used and is adequately controlled.**

**Assets**

**The asset register has been updated to reflect major acquisitions and the total value of assets held is accurately reflected in the accounts.**

**Payroll**

**Testing of the March payroll revealed no issues to report.**

**A new employee was issued with a contract of employment and paid in accordance with the terms therein.**

**Three interim pay uplifts were approved, pending formal job evaluation, by the Clerk under delegated powers. The uplifts were accurately implemented.**

**Bank Reconciliation**

**Bank reconciliations are carried out frequently throughout the year.**

**The year-end bank reconciliation was found to be accurate.**

**Accounting Statements**

**The accounts were produced on an income and expenditure basis and were in accord with underlying records.**

**Year-end adjustments were properly accounted for.**

**Trusts**

**Governance requirements have been met and Charity Commission returns are up to date.**

## INTERNAL AUDIT RESPONSE RECORD – TRURO CITY COUNCIL

No	Recommendation	Management Response	Timescale/Responsibility	Follow up (Auditor use)
<b>2022/23 FINAL REPORT</b>				
1	Agreements should be put in place for all contracted works carried out by the Council.			
<b>2020/21 FINAL REPORT</b>				
2	Allotment Tenancy Agreements for all sites should be reviewed to ensure they all reflect the current charging arrangements.			<b>Include in 2023/24 testing</b>

## Annual Internal Audit Report 2022/23

## TRURO CITY COUNCIL

truro.gov.uk/governance/

During the financial year ended 31 March 2023, 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 2022/23 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, a VAT return was submitted and VAT 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 2021/22, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2021/22 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 2022-23 AGAR period, were public rights in relation to the 2021-22 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 2021/22 AGAR <i>(see AGAR Page 1 Guidance Notes).</i>	✓		
<b>O. (For local councils only)</b> Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes ✓	No 	Not applicable 

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

13/12/2022      22/02/2023      31/05/2023

Name of person who carried out the internal audit

S P HUDSON C.P.F.A.

Signature of person who carried out the internal audit

S. P. Hudson

Date

01/06/2023

**\*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).

# Annual Governance and Accountability Return 2022/23 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 2022/23

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 2023**.
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 2023**. 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 2023
  - 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 2022/23

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 2023 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 2022/23**, approved and signed, page 4
- **Section 2 - Accounting Statements 2022/23**, approved and signed, page 5

Not later than 30 September 2023 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) 2022/23

- 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 2023.
- 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 Chairman, 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 2022) equals the balance brought forward in the current year (Box 1 of 2023).
- 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 2023**.

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 <b>the dates set for the period for the exercise of public rights</b> , 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 Chairman of the approval meeting?	✓	
	Has an explanation of significant variations been published where required?	✓	
	Has the bank reconciliation as at <b>31 March 2023</b> 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? <b>NB:</b> 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](http://www.nalc.gov.uk) or from [www.ada.org.uk](http://www.ada.org.uk)

## Annual Internal Audit Report 2022/23

ENTER Truro City Council AUTHORITY

www.truro.gov.uk ENTER PUBLICLY AVAILABLE WEBSITE/WEBPAGE ADDRESS

During the financial year ended 31 March 2023, 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 2022/23 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 2021/22, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2021/22 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 2022-23 AGAR period, were public rights in relation to the 2021-22 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 2021/22 AGAR <i>(see AGAR Page 1 Guidance Notes)</i> .			
<b>O. (For local councils only)</b> Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable

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

DD/MM/YYYY DD/MM/YYYY DD/MM/YYYY

ENTER NAME OF INTERNAL AUDITOR

Signature of person who carried out the internal audit

SIGNATURE REQUIRED

Date

DD/MM/YYYY

**\*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 2022/23

We acknowledge as the members of:

Truro City Council  
ENTER NAME OF AUTHORITY

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 2023, that:

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

**\*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:

DD/MM/YYYY

and recorded as minute reference:

MINUTE REFERENCE

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

Chairman

SIGNATURE REQUIRED

Clerk

SIGNATURE REQUIRED

www.truro.gov.uk ENTER PUBLICLY AVAILABLE WEBSITE/WEBPAGE ADDRESS

## Section 2 – Accounting Statements 2022/23 for

Truro City Council

	Year ending		Notes and guidance
	31 March 2022 £	31 March 2023 £	
			<i>Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.</i>
1. Balances brought forward	1,404,191	1,231,265	<i>Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.</i>
2. (+) Precept or Rates and Levies	1,890,737	2,019,651	<i>Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.</i>
3. (+) Total other receipts	724,735	792,269	<i>Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.</i>
4. (-) Staff costs	1,585,168	1,669,710	<i>Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.</i>
5. (-) Loan interest/capital repayments	31,500	31,500	<i>Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).</i>
6. (-) All other payments	1,171,730	1,756,015	<i>Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).</i>
7. (=) Balances carried forward	1,231,265	585,960	<i>Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).</i>
8. Total value of cash and short term investments	1,668,704	575,669	<i>The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.</i>
9. Total fixed assets plus long term investments and assets	2,336,462	3,177,421	<i>The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.</i>
10. Total borrowings	616,993	583,215	<i>The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).</i>

For Local Councils Only	Yes	No	N/A	
11a. Disclosure note re Trust funds (including charitable)	✓			<i>The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.</i>
11b. Disclosure note re Trust funds (including charitable)	✓			<i>The figures in the accounting statements above do not include any Trust transactions.</i>

I certify that for the year ended 31 March 2023 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

DD/MM/YYYY

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

DD/MM/YYYY

as recorded in minute reference:

MINUTE REFERENCE

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

SIGNATURE REQUIRED

## Section 3 – External Auditor’s Report and Certificate 2022/23

In respect of

Truro City Council  
ENTER NAME OF AUTHORITY

### 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 2023; 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 2022/23

(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 2022/23

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 2023.

\*We do not certify completion because:

External Auditor Name

ENTER NAME OF EXTERNAL AUDITOR

External Auditor Signature

SIGNATURE REQUIRED

Date

DD/MM/YYYY

## **Finance & General Purposes Committee**

**12<sup>th</sup> June 2023**

### **Hendra Community Centre**

The City Council is the owner of Hendra Hall, which is held on a long-term lease by the Trustees. The Hall is busy with a variety of community events taking place regularly.

Since the covid lockdown the Trustees have found it much harder to retain a financial balance, with reduced numbers of events and rapidly rising costs. The building itself is old and expensive to maintain and heat. It was not designed as a community centre and has challenges with access.

Further, Young People Cornwall has had a long-held vision of having a Youth Centre in Truro and its facilities at Zebs (also owned by the City Council) in The Leats are limited, in addition to having maintenance challenges.

Working with the Trustees of both organisations, we are considering the potential of building a new community centre combined with a youth centre on the Dreadnaught green space. Once again this in the ownership of the City Council, but the two centres, although in a single building would be separately managed by the respective leaseholders. In November 2019, the Council agreed to support the proposal to site a new youth centre on this site, a project that has not progressed.

In order to part fund this development the council would sell the existing Hendra Hall and Zebs sites. We are confident the former site would be suitable for affordable housing. Grant assistance would be sought for the balance of cost.

There are a number of workstreams: -

- To obtain a valuation on the existing Hendra Hall and Zebs sites.
- To obtain agreement from Cornwall Council to waiver any claim on the Hendra Hall and Zebs overage provisions.
- To obtain permission from the Tregothnan Estate to build the proposed building (The estate has a covenant on the land)
- To agree the design of the new building in consultation with the stakeholders and local community.
- To apply for planning permission

Successful achievement of the above will result in a very strong position to obtain a grant for the gap funding. One challenge will be maintaining services which will entail building the new centre prior to demolition of the existing.

**Recommendation**

That the council supports the development of a project to build a new Community and Youth Centre on the Dreadnaught green space and will provide funding to develop the above workstreams. (to be included in grant applications and recovered from grants in due course)

**Roger Gazzard**

**Town Clerk**

## Report to Finance & General Purposes 12<sup>th</sup> June 2023

### Community Infrastructure Levy (CIL)

#### Background

Over the past three years we have received CIL payments. These are planning contribution (replaces S106).

The rules on spending the money are: -

*CIL Regulation 59C sets out that a local council must use CIL receipts passed to it to 'support the development of the local council's area, or any part of that area, by funding:*

- a. *the provision, improvement, replacement, operation or maintenance of infrastructure: or*
- b. *anything else that is concerned with addressing the demands that development places on an area.*

*6.2. The Town or Parish Council can pass back CIL to the Charging Authority to support the delivery of infrastructure projects and/or maintenance of infrastructure that the local council does not have jurisdiction or responsibility for, e.g., extensions to schools. Local councils may also wish to pool their CIL receipts with other neighbouring local councils to deliver some infrastructure that will be mutually beneficial.*

#### Transaction Summary

<b>Receipts</b>	<b>2020-21</b>
	<b>£23,058.75</b>
	<b>£4,850.00</b>
	<b>2021-22</b>
	<b>£14,262.90</b>
	<b>£5,310.00</b>
	<b>2022-23</b>
	<b>£18,814.51</b>
<b>Total receipts</b>	<b>£66,296.16</b>
<b>ALLOCATION SPENDING</b>	<b>£23,058.75</b>
<b>Balance at 31.3.23</b>	<b>£43,237.41</b>

Unfortunately we are not notified of the actual developments that are generating the CIL.

As shown above we now have a balance of £43,237 available. CIL monies have to be spent within five years of receipt.

This report was submitted to the parks & Amenities Committee on the 5<sup>th</sup> June which recommended that the money be used to part pay for the purchase of land currently under consideration.

### **Recommendation**

That the committee confirm the recommendation of the Parks & Amenities Committee.

**Roger Gazzard**  
**Town Clerk**