

**MEETING OF THE FINANCE & ADMINISTRATION COMMITTEE
TO BE HELD ON THURSDAY 4th DECEMBER 2025 AT 6.30pm**

CLERK'S REPORT

To be considered in conjunction with the Agenda for this meeting. Numbers relate to the item numbers on the Agenda.

1. Public Forum.

The Public Forum will last for a period of up to 15 minutes during which members of the public may put questions to the Council or draw attention to relevant matters relating to the business on the Agenda. Each speaker is limited to 3 minutes. The business of the meeting will start immediately following the public forum or at 7.45pm whichever is the earlier.

3. Declarations of Interest.

Members are advised to consider the Agenda for the meeting and determine in advance if they may have a **Personal, Disclosable Pecuniary or Other Registrable Interest** in any of the Agenda items. If a Member decides they do have a declarable interest, they are reminded that the interest and the nature of the interest must be declared at the commencement of the consideration of the Agenda item; or when the interest becomes apparent to them. Details of the interest will be minuted.

If the interest is a **Disclosable Pecuniary Interest**, Members are reminded that they must take no part in the discussions of the item at all; or participate in any voting; and must withdraw from the meeting chamber, unless they have received a dispensation.

Where you have an **Other Registrable Interest** (which is not a Disclosable Pecuniary Interest), Members are reminded that they must withdraw from the meeting chamber after making representations or asking questions.

5. Chairman's Announcements.

5.1 A grant application was received from an individual running the London Marathon to raise money for St Catherine's Hospice. The applicant was advised that, as per the Grants Policy, applications cannot be from individuals, but they were advised that the Parish Council had awarded a Grant to St Catherine's earlier this year.

5.2 A letter of thanks has been received from Citizens Advice West Sussex for the £500 grant awarded and copy will be **circulated by email**.

5.3 West Sussex Pensions have advised that the Triennial Actuarial Assessment as at 31st March 2025 has been completed, and the initial results are available by email on request. The new employer contribution effective for three years with effect from 1st April 2026 will be 15% - a reduction of 3.2% on the current rate. In addition, the Government is consulting on changes to the LGPS including an increase to the Minimal Normal Pension Age and access to the LGPS for mayors and councillors. However, as the latter (as per the Explanatory Note to the Draft SI) only applies to "elected members of local authorities in England (namely councillors and mayors of county councils, district councils, London Borough councils, combined authorities, combined county authorities, and the Greater London Authority" and therefore not Parish Councillors, the consultation will not automatically be referred to the Council for consideration.

6. Review of Finances to 31st October 2025

6.1 Finance Report to show income, expenditure and reserves to 31st October 2025

Funding at 31st October 2025

Precept (full year)	401,537
Environmental Grant	12,752
Donation for Interpretation Board	927
Total	415,216

Income to 31st October 2025

Cost Centre	Actual income	Annual Budget	Estimated income to 31 st Oct*
Admin	13,754	20,000	11,667
Allotments**	1,092	1000	1,000
North Heath Hall	46,959	73,000	42,583
Holbrook Tythe Barn	23,426	46,000	26,833
Multi Court Lettings	13,648	28,000	16,333
Roffey Millennium Hall	43,859	78,000	45,500
Total	142,738	246,000	143,916

Expenditure to 31st October 2025

Cost Centre	Actual Expenditure	Annual Budget	Estimated expenditure to 31 st Oct*
Admin	34,377	59,810	34,889
Grants	4,394	10,000	5,833
Burial***	3,730	7,900	4,608
Personnel	216,983	390,150	227,588
Allotments	926	1,940	1,132
Amenity, Recs and Open Spaces	41,579	68,100	39,725
North Heath Hall	17,514	35,980	20,988
Holbrook Tythe Barn	12,505	25,880	15,097
Roffey Millennium Hall	28,352	51,270	29,908
Total	360,360	651,030	379,768

*Total cost centre budget for 2025/26 divided by 7/12th.

**Allotment invoices are sent out annually. The full income is expected by the end of April.

**** Paid quarterly in Months 2,5,8 & 11

Supporting Finance documents including the Income and Expenditure and Reserves reports as at 31st October 2025 are attached in **Appendix 1 and 1a respectively**.

Income

Overall, the anticipated income is less than 1% under budget. The income from the halls is approx. 2.5% below the anticipated level at the end of month 7, a reduction of the 5% below budget at the end of month 6. It is hoped that the situation will continue to improve over the coming months, with the use of the multicourts increasing during the winter.

Expenditure

There has been a further slight reduction in the underspend which is 5% at the end of the month, compared to approx. 6% lower than anticipated at the end of month 6.

Reserves

As at 31st October 2025 remaining funds, including the full year precept payment received, together with General Reserves, stood at £438,485.

In addition, there continues to be Earmarked Reserves of £241,535 a reduction of £1,950 at the end of month 6, due to the 50% deposit for the car park works at Holbrook Tythe Barn.

Summary

Both income and expenditure are broadly in line with the anticipated levels at the end of month 7, and it is hoped that the income situation will continue to improve over the winter months.

6.2 Bank Reconciliations

A copy of the bank reconciliations and statements for the Lloyds Bank Accounts and the CCLA Public Sector Deposit Fund as at 31st October 2025 have been **circulated by emailed**.

Decisions:

6.3.1 To consider the Financial Report to 31st October 2025 including reserve balances

6.3.2 To confirm, with counter signature by the Chairman the bank reconciliations and bank statements for the Lloyds Bank Accounts and CCLA Public Sector Deposit Fund as at as at 31st October 2025, and minute to evidence

7. Internal Control Working Party

A meeting of the Internal Control Working Party was held on Monday 24th November 2025 and the Notes of the Meeting are attached as **Appendix 2**. The focus for the meeting was item iv) of the agreed Action Plan, namely to identify the duties of Officers and segregation of duties; raising of sales invoices and no issues were identified.

Decision : To receive the Notes of the Working Party meeting held 24th November 2025

8. Budget Forecast for 2025/26 and Budget Proposals for 2026/27

Members are invited to receive the DRAFT Budget Forecast for 2025/26, Budget Proposals for 2026/27 and Precept requirement for 2026/27 (**to be circulated by email**). These are the same Budget and Forecasts as presented to this Committee at the meeting on 23rd October 2025 (Min. FA/32/25 refers) except that the rounding has been removed as requested and the following amendments shown in red :-

- Updated Water (4012), Gas (4015) and Electricity (4014) based on latest bills
- Increase to Grant Budget (4155) as requested at previous meeting
- Reduction in forecast for Street Lighting (4255) based on recent bills
- Updated payroll (4001) due to reduction in employer pension contributions
- Updated income forecast and budget figures where appropriate
- Additional £6,000 to replenish the Elections EMR

As noted at the previous meeting, as per the Smaller Authorities Proper Practices Panel on Accountability and Governance (SAPPP) Practitioner's guide 2025, and as referred to in the Final Internal Audit Report 2024/25, *'the generally accepted recommendation with regard to the appropriate minimum level of a smaller authority's general reserve is that this should be maintained at between three and twelve months of net revenue expenditure'* (para 5.34). Therefore, to ensure that the predicted General Reserve remains comfortably within this range, I would suggest that this figure is raised to £210,000 to ensure it remains approx. 6 months budgeted net revenue expenditure.

Decisions :

To consider the working papers and make the following recommendations to Council:-

- 8.1 Budget Forecasts for 2025/26**
- 8.2 Budget Proposals for 2026/27**
- 8.3 Precept for 2026/27**

9 Internal Audit Report 2025/26 (Interim)

The Internal Audit Report is attached as **Appendix 3** for Member’s consideration with no points of action.

Decision : Note and accept the Internal Audit Report 2025/26 (Interim)

10 Policies

The reviewed Employer’s Discretion Policy is attached as **Appendix 4** for Members to consider and if acceptable, recommend to Council.

Decision : Recommendation to Council of an Employer’s Discretion Policy

11 Grant Applications

There is a current Grant budget available for the 2025/26 financial year of £5,605. The application has been **circulated to the Committee by email.**

Earles Meadow Conservation Group - £1,100 requested

This is the 11th application from EMCG and the funding would enable the group to continue to carry out work in accordance with the latest revision of the Management Action Plan with an objective of helping NHPC to maintain and improve the 10 acres (approx.) of woodland, meadows and streams forming part of the Earles Meadow Public Open Space.

Previous Awards

June 2011	£200	Ongoing work
October 2016	£575	Ongoing work
December 2017	£550	Ongoing work
February 2019	£565	Ongoing work
December 2019	£630	Ongoing work
December 2020	£415	Ongoing work
March 2022	£525	Ongoing work
February 2023	£880	Ongoing work
February 2024	£960	Ongoing work
February 2025	£990	Ongoing work

Decision : To consider a Grant application from the Earles Meadow Conservation Group

11/11/2025

North Horsham Parish Council

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Detailed Income & Expenditure by Budget Heading 31/10/2025

Month No: 7

Cost Centre Report

	Actual Last Year	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
101 Administration								
1008 Miscellaneous Income	5,025	25	0	(25)			0.0%	
1011 S106 Funding Smart Tvs (RMH)	2,805	0	0	0			0.0%	
1176 Precept	380,247	401,537	401,537	0			100.0%	
1196 Interest Received	28,824	13,729	20,000	6,271			68.6%	
Administration :- Income	416,901	415,291	421,537	6,246			98.5%	0
4007 Councillors Training	90	45	1,000	955		955	4.5%	
4008 Councillors Expenses	6,339	4,643	7,000	2,357		2,357	66.3%	
4021 Telephone/Fax/Internet	2,827	1,636	3,400	1,764		1,764	48.1%	
4022 Postage	691	356	840	484		484	42.4%	
4023 Stationery and Printing	733	431	1,600	1,169		1,169	26.9%	
4024 Subscriptions	3,210	3,456	3,400	(56)		(56)	101.6%	
4025 Insurance	15,296	5,644	15,500	9,856		9,856	36.4%	
4028 IT Costs	3,547	2,688	3,600	912		912	74.7%	
4029 Website Maintenance	264	164	200	36		36	82.0%	
4032 Publicity/Marketing	0	0	500	500		500	0.0%	
4033 Newsletter	892	515	920	406		406	55.9%	
4038 Office Equipment Maint.	517	258	950	692		692	27.2%	
4051 Bank Charges	78	104	350	246		246	29.7%	
4053 PWLB Loan Charges	10,231	4,930	5,000	70		70	98.6%	
4057 External Audit Fees	1,430	0	1,500	1,500		1,500	0.0%	
4058 Professional Services	2,278	2,445	2,500	55		55	97.8%	
4059 Internal Audit Fees	399	(138)	450	588		588	(30.6%)	
4100 Chairman's Allowance	0	0	400	400		400	0.0%	
4120 Roffey Hall Equipment	460	288	700	412		412	41.2%	
4122 Office Equipment	4,323	707	2,000	1,293		1,293	35.4%	
4123 VE Day 80	0	1,204	2,000	796		796	60.2%	
4246 Solar Power HTB	16,688	0	0	0		0	0.0%	
4247 Youth Provision	5,000	5,000	6,000	1,000		1,000	83.3%	
4256 S106 Smart Tvs (RMH)	2,805	0	0	0		0	0.0%	
Administration :- Indirect Expenditure	78,099	34,377	59,810	25,433	0	25,433	57.5%	0
Net Income over Expenditure	338,803	380,914	361,727	(19,187)				
103 Grants								
4155 Other Grants and Donations	7,711	4,394	10,000	5,606		5,606	43.9%	
Grants :- Indirect Expenditure	7,711	4,394	10,000	5,606	0	5,606	43.9%	0
Net Expenditure	(7,711)	(4,394)	(10,000)	(5,606)				

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Detailed Income & Expenditure by Budget Heading 31/10/2025

Month No: 7

Cost Centre Report

	Actual Last Year	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
<u>104 Burial</u>								
4101 Burial Charges	7,461	3,730	7,900	4,170		4,170	47.2%	
Burial :- Indirect Expenditure	7,461	3,730	7,900	4,170	0	4,170	47.2%	0
Net Expenditure	(7,461)	(3,730)	(7,900)	(4,170)				
<u>106 Personnel</u>								
4001 Salaries/NI/Pensions	346,734	211,717	382,000	170,283		170,283	55.4%	
4003 Payroll Admin Charge	1,363	735	1,400	665		665	52.5%	
4009 Staff Expenses/Mileage	3,368	2,381	4,500	2,119		2,119	52.9%	
4010 Staff Training	650	1,794	1,600	(194)		(194)	112.1%	
4030 Recruitment Advertising	88	216	250	34		34	86.4%	
4067 Protective Clothing	64	140	400	260		260	34.9%	
Personnel :- Indirect Expenditure	352,267	216,983	390,150	173,167	0	173,167	55.6%	0
Net Expenditure	(352,267)	(216,983)	(390,150)	(173,167)				
<u>301 Allotments</u>								
1050 Allotment Rents	1,108	1,092	1,000	(92)			109.2%	
Allotments :- Income	1,108	1,092	1,000	(92)			109.2%	0
4012 Water Rates	147	24	410	386		386	5.9%	
4102 Allotment Rent	300	275	300	25		25	91.7%	
4200 Grass cutting	406	607	810	203		203	74.9%	
4259 Allotment Maintenance	17	20	420	400		400	4.8%	
Allotments :- Indirect Expenditure	870	926	1,940	1,014	0	1,014	47.7%	0
Net Income over Expenditure	238	166	(940)	(1,106)				
<u>302 Amenity, Recs & Open Sp</u>								
1100 Grants Received	12,274	13,679	12,274	(1,405)			111.4%	
Amenity, Recs & Open Sp :- Income	12,274	13,679	12,274	(1,405)			111.4%	0
4019 Window Cleaning	860	539	1,200	661		661	45.0%	
4200 Grass cutting	14,658	14,437	22,400	7,963		7,963	64.5%	
4250 Bus Shelter Repairs	1,945	1,118	2,100	982		982	53.2%	
4251 Play Area & M Crts Maint	3,181	7,157	9,100	1,943	790	1,153	87.3%	
4252 Open Spaces	9,827	4,531	11,600	7,069	220	6,849	41.0%	
4253 Litter Warden/Clearance	610	233	1,100	867		867	21.2%	
4254 Community Services - Dog Bins	2,299	1,380	2,700	1,320		1,320	51.1%	
4255 Street Lighting - Maint/Supply	2,252	4,097	6,900	2,803		2,803	59.4%	
4258 Multicourts Maintenance	3,188	3,285	5,100	1,815		1,815	64.4%	

Detailed Income & Expenditure by Budget Heading 31/10/2025

Month No: 7

Cost Centre Report

	Actual Last Year	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
4260 Workshop	132	160	500	340		340	32.0%	
4302 Notice Board Maintenance	258	162	900	738		738	18.0%	
4303 Festive Lighting	4,200	4,480	4,500	20		20	99.6%	
Amenity, Recs & Open Sp :- Indirect Expenditure	43,410	41,579	68,100	26,521	1,010	25,511	62.5%	0
Net Income over Expenditure	(31,136)	(27,900)	(55,826)	(27,926)				
6001 less Transfer to EMR	660	0	0	0				
Movement to/(from) Gen Reserve	(31,796)	(27,900)	(55,826)	(27,926)				
<u>401 North Heath Hall</u>								
1000 Hall Lettings	76,339	46,959	73,000	26,041			64.3%	
North Heath Hall :- Income	76,339	46,959	73,000	26,041			64.3%	0
4011 NNDR	6,508	3,418	8,200	4,782		4,782	41.7%	
4012 Water Rates	911	490	1,100	610		610	44.6%	
4014 Electricity	3,790	1,846	3,100	1,254		1,254	59.5%	
4015 Gas	4,586	2,533	6,300	3,767		3,767	40.2%	
4016 Caretaking Materials	948	934	1,700	766		766	54.9%	
4017 Refuse Bin Clearance	906	596	1,000	404		404	59.6%	
4018 Sanitary Waste	272	166	290	124		124	57.3%	
4019 Window Cleaning	648	378	820	442		442	46.1%	
4034 Maintenance - Electrical	1,809	420	1,800	1,380		1,380	23.3%	
4035 Maintenance - Elect Eqp Insp	2,036	417	1,100	683		683	37.9%	
4036 Maintenance - General	2,593	1,208	2,700	1,492	640	852	68.4%	
4037 Maintenance - Fire Alarm Syst	530	420	690	270		270	60.9%	
4039 Maint - Intruder Alarm	950	950	1,200	250		250	79.2%	
4041 Maintenance - Fire Extg Insp	143	0	190	190		190	0.0%	
4042 Maintenance - Gas Boiler etc	845	494	1,000	506		506	49.4%	
4044 Maintenance - Partition Wall	782	790	1,100	310		310	71.8%	
4061 Legionella Testing	325	325	480	155		155	67.6%	
4063 Maintenance - Plumbing	717	0	760	760		760	0.0%	
4065 Fire Prevention Sundries	674	0	120	120		120	0.0%	
4066 Keyholder Services	180	105	330	225		225	31.8%	
4500 Internal Redecorations	2,000	2,025	2,000	(25)		(25)	101.3%	
North Heath Hall :- Indirect Expenditure	32,154	17,514	35,980	18,466	640	17,826	50.5%	0
Net Income over Expenditure	44,185	29,444	37,020	7,576				
<u>402 Holbrook Recreation Centre</u>								
1000 Hall Lettings	42,774	23,426	46,000	22,574			50.9%	
1010 Multi Court Lettings	28,089	13,648	28,000	14,352			48.7%	
Holbrook Recreation Centre :- Income	70,863	37,074	74,000	36,926			50.1%	0

Detailed Income & Expenditure by Budget Heading 31/10/2025

Month No: 7

Cost Centre Report

	Actual Last Year	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
4011 NNDR	3,493	2,038	4,700	2,662		2,662	43.4%	
4012 Water Rates	1,034	1,236	1,600	364		364	77.2%	
4014 Electricity	3,681	1,567	4,200	2,633		2,633	37.3%	
4015 Gas	2,406	523	1,800	1,277		1,277	29.1%	
4016 Caretaking Materials	1,096	660	1,700	1,040		1,040	38.8%	
4017 Refuse Bin Clearance	859	596	980	384		384	60.9%	
4018 Sanitary Waste	354	214	370	156		156	57.8%	
4019 Window Cleaning	284	142	530	388		388	26.7%	
4034 Maintenance - Electrical	0	157	1,300	1,143		1,143	12.1%	
4035 Maintenance - Elect Eqp Insp	616	417	690	273		273	60.4%	
4036 Maintenance - General	1,229	755	2,200	1,445	640	805	63.4%	
4037 Maintenance - Fire Alarm Syt	420	420	700	280		280	60.0%	
4039 Maint - Intruder Alarm	950	950	1,100	150		150	86.4%	
4041 Maintenance - Fire Extg Insp	18	0	190	190		190	0.0%	
4042 Maintenance - Gas Boiler etc	212	604	580	(24)		(24)	104.1%	
4061 Legionella Testing	295	310	450	140		140	68.8%	
4063 Maintenance - Plumbing	395	71	850	779		779	8.4%	
4065 Fire Prevention Sundries	688	0	110	110		110	0.0%	
4066 Keyholder Services	305	155	330	175		175	47.0%	
4500 Internal Redecorations	320	1,690	1,500	(190)		(190)	112.7%	
Holbrook Recreation Centre :- Indirect Expenditure	18,655	12,505	25,880	13,375	640	12,735	50.8%	0
Net Income over Expenditure	52,208	24,569	48,120	23,551				
<u>403 Roffey Millennium Hall</u>								
1000 Hall Lettings	73,451	41,063	78,000	36,937			52.6%	
1004 Equipment Sale/Sundry Income	1,774	963	0	(963)			0.0%	
1006 Refreshment Sale Income	2,470	1,833	0	(1,833)			0.0%	
Roffey Millennium Hall :- Income	77,695	43,859	78,000	34,141			56.2%	0
4011 NNDR	7,090	4,510	8,500	3,991		3,991	53.1%	
4012 Water Rates	2,148	2,610	1,800	(810)		(810)	145.0%	
4014 Electricity	9,840	4,874	7,300	2,426		2,426	66.8%	
4015 Gas	7,095	2,338	8,100	5,762		5,762	28.9%	
4016 Caretaking Materials	1,177	2,475	3,900	1,425		1,425	63.5%	
4017 Refuse Bin Clearance	1,982	1,469	2,200	731		731	66.8%	
4018 Sanitary Waste	272	166	290	124		124	57.3%	
4019 Window Cleaning	790	519	1,200	681		681	43.3%	
4020 Refreshment Sale Cost/Sundries	637	311	510	199		199	61.0%	
4034 Maintenance - Electrical	2,545	403	2,700	2,297		2,297	14.9%	
4035 Maintenance - Elect Eqp Insp	1,027	417	640	223		223	65.1%	

Detailed Income & Expenditure by Budget Heading 31/10/2025

Month No: 7

Cost Centre Report

	Actual Last Year	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
4036 Maintenance - General	4,278	1,792	3,900	2,108	340	1,768	54.7%	
4037 Maintenance - Fire Alarm Syt	607	420	650	230		230	64.6%	
4039 Maint - Intruder Alarm	950	972	1,200	229		229	81.0%	
4040 Maintenance - Elevator	698	1,165	880	(285)		(285)	132.4%	
4041 Maintenance - Fire Extg Insp	91	94	270	176		176	34.8%	
4042 Maintenance - Gas Boiler etc	978	283	1,200	917		917	23.5%	
4044 Maintenance - Partition Wall	375	375	700	325		325	53.6%	
4061 Legionella Testing	335	330	550	220		220	59.9%	
4062 Air Conditionaing Maintenance	270	270	360	90		90	75.0%	
4063 Maintenance - Plumbing	1,286	453	1,600	1,147		1,147	28.3%	
4064 Lightning Conductor Works	195	0	360	360		360	0.0%	
4065 Fire Prevention Sundries	726	0	130	130		130	0.0%	
4066 Keyholder Services	270	105	330	225		225	31.8%	
4500 Internal Redecorations	1,980	2,003	2,000	(3)		(3)	100.1%	
Roffey Millennium Hall :- Indirect Expenditure	47,642	28,352	51,270	22,918	340	22,578	56.0%	0
Net Income over Expenditure	30,053	15,506	26,730	11,224				
<u>901 Earmarked Reserves</u>								
4900 Repairs & Renewals Reserve	113,109	22,003	0	(22,003)		(22,003)	0.0%	22,003
4901 VAT Contingency	0	14,643	0	(14,643)		(14,643)	0.0%	14,625
Earmarked Reserves :- Indirect Expenditure	113,109	36,646	0	(36,646)	0	(36,646)		36,628
Net Expenditure	(113,109)	(36,646)	0	36,646				
6000 plus Transfer from EMR	113,109	36,646	0	(36,646)				
Movement to/(from) Gen Reserve	0	0	0	0				
Grand Totals:- Income	655,180	557,954	659,811	101,857			84.6%	
Expenditure	701,378	397,008	651,030	254,022	2,629	251,393	61.4%	
Net Income over Expenditure	(46,197)	160,946	8,781	(152,165)				
plus Transfer from EMR	113,109	36,646	0	(36,646)				
less Transfer to EMR	660	0	0	0				
Movement to/(from) Gen Reserve	66,252	197,592	8,781	(188,811)				

NORTH HORSHAM PARISH COUNCIL
 RESERVE BALANCES - 31st October 2025

		FROM Reserve				TO Reserve										
		BALANCE	TRANSFER	EXPENDITURE	INCOME	BALANCE	TRANSFER	EXPENDITURE	INCOME	BALANCE	TRANSFER	EXPENDITURE	INCOME	BALANCE		NOTE
		31.03.2023	01.04.2023	ACTUAL	ACTUAL	31.03.2024	01.04.2024	ACTUAL	ACTUAL	31.03.2025	01.04.2025	ACTUAL	ACTUAL	31.10.2025		
310/0	GENERAL RESERVES	272610	-54821	546381	629194	300602	-87620	588269	655180	279893	-39000	360362	557954	438485		
	EARMARKED RESERVES	0				0				0				0		
320/0	REVENUE - VAT CONTINGENCY	7955				7955				7955	10000	14643		3312		
321/0	REPAIRS & RENEWALS (R&R)	68589		10814		57775	35000	19500		73275	5000	18088		60187	3	
322/0	ELECTION	19950				19950				19950				19950		
323/0	TREE MANAGEMENT WORK	965	4000	860		4105	4660			8765	4000	2915		9850	6	
324/0	TREE MANAGEMENT WORK	0	3540			3540		3540		0				0	10	
327/0	ROFFEY YOUTH CLUB	5621		5000		621				621				621	9	
328/0	PLANNING	8035				8035				8035				8035		
329/0	EMR - GRANT FOR LED LIGHTS	0		2076	2076	0				0				0	8	
330/0	EMR - MARCH 2023	2546	-21	2525		0				0				0	7	
331/0	RMH BOILER	30000	5000			35000	5000			40000				40000		
332/0	PLAYGROUND UPGRADE	50000	25000			75000	25000	62942		37058	5000			42058		
333/0	NHH WASHROOM REFURBISHMENT	0	15000	2462		12538	8000	20538		0				0	5	
334/0	EMR - PERIODIC ELECTRIC TESTING- 2023/24	0	2150			2150		2150		0				0	11	
335/0	CAPITAL RECEIPT	25000				25000				25000				25000		
337/0	NORTH HORSHAM COMMUNITY LAND TRUST	3	-3			0				0				0		
336/0	MOWBRAY COMMUNITY FACILITY	0				0				0	5000			5000		
338/0	COMMUNITY INFRASTRUCTURE LEVY 2020/2021	0				0				0				0		
339/0	COMMUNITY INFRASTRUCTURE LEVY 2021/2022	1835		795		1040		555		485		485		0	4	
340/0	COMMUNITY INFRASTRUCTURE LEVY 2022/2023	11805				11805				11805		515		11290	5	
341/0	EMR - LIGHT FITTINGS - NHH - 2023/24	0	155			155		155		0				0	13	
342/0	EMR - NHH HEATING	0				0	5000	3768		1232	5000			6232	15	
343/0	EMR - RMH LIFT	0				0	5000			5000	5000			10000	12	
		504913	0	570913	631270	565270	40	701417	655180	519073	0	397008	557954	680019		

**NORTH HORSHAM PARISH COUNCIL
NOTES FROM THE INTERNAL CONTROLS WORKING PARTY
MONDAY 24th NOVEMBER 2025 AT 11am**

Members of the Working Party:- All Members of the Finance & Administration Committee

Cllrs. Torn, Turner and Wilton were in attendance.

Sarah Norman (Clerk/Responsible Financial Officer) and Jitu Chudasama (Administration Clerk) were also in attendance.

1. Election of Chairman

Cllr. Turner was appointed as the Chairman for the Meeting.

2. Apologies.

Apologies had been received from Cllrs. Davidson-Fernandez and Smithurst

3. Notes.

The notes of the meeting held on 8th September 2025 were presented to the Finance and Administration Committee at the meeting on 23rd October 2025 (Min. FA/31/25 refers).

4. Tests agreed in the Action Plan reviewed and agreed by the Finance and Administration Committee on 24th October 2024 (Min. FA/35/24 refers) designed to review safe and efficient safeguarding of public money; prevent and detect inaccuracy and fraud

- i. That Salaries have been properly reviewed
- ii. Identifying the duties of Officers and segregation of duties; authorisation of payments; hierarchical review and that a commitment over £5,000 is compliant
- iii. To review that risk levels are properly managed and compliance with the publication rules for the Local Government Transparency Code 2015; procedures for bad debts and bank mandate review, Bank reconciliation and procedures, test that the budget is reviewed against the actual figures
- iv. Identifying the duties of officers and segregation of duties; raising of sales invoices

As had been agreed at the previous meeting, the focus for the review was to be point (iv) of the Action Plan, namely identifying the duties of officers and segregation of duties; raising of sales invoices.

Members **NOTED** the report to the meeting including confirmation of the Segregation of Duties as follows :-

- Primarily bookings are taken and processed by the Administration Clerk and the Committee Clerk. However, all staff are able to take bookings, enter onto RBS system and raise invoice if necessary.
- Committee Clerk is responsible for processing monthly invoices for regular hirers.
- Clerk oversees reviewing of Sales Ledger and any Debtors, reporting to the F&A Committee twice yearly.
- Administration Clerk has primary responsibility for the reconciling of receipts, but the Committee Clerk and Parish Clerk can undertake this function when required.
-

Members then proceeded to review one booking with its corresponding payment, for each month from October 2024 to September 2025 inclusive (including one Credit Note), and the results are attached as **Appendix 1** to these Notes.

With regard to the Credit Note, the Working Group was advised that after a booking for a meeting had been made and the invoice settled, the number of attendees rose above the acceptable level for Bramber room and the with no other suitably sized room available, it had been necessary to cancel the booking. The credit was being held on account for a future booking.

The only query raised related to the invoicing for one of the nurseries at North Heath Hall, whose charges were spread evenly across the year rather than being based on their term time usage. The Clerk was therefore asked to provide a breakdown of how the monthly figures were calculated and report this to the forthcoming Finance and Administration Committee Meeting.

5. It was **NOTED** that the date of the next Meeting would be 23rd February 2026. The focus for the next Internal Control Working Party meeting would be part (i) of the existing plan namely, that Salaries have been properly reviewed, and this would be confirmed at the forthcoming Finance and Administration Committee Meeting.

There being no further business the meeting was closed at 12.05pm.

Testing of Sales - ICWG Meeting 24th November 2025

Appendix 1

	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	June 2025	July 2025	Aug 2025	Sept 2025
Date of Booking	15.10.24	08.11.24	12.12.24	20.01.25	26.02.25	18.03.25	16.04.25	19.05.25	2025/2026	03.07.25	05.08.25	09.09.25
Facility	NHH	RMH	HTB	RMH	MCT	NHH	HTB	RMH	Allotments	NHH	MCT	RMH
Hirer	Batchelor	Assurity	WSCC	Runway Training	J Ward	New View Nursery	Kung Fu	Pulse	G Brooks	C Bailey	SCS	A Baldwin
Invoice Number and Amount	28842 £34.76	28935 £150.00 & £10.80 plus VAT	29080 £42.50	29038 £57.38 plus VAT	29315 £25.50	29424 £1360 & £27.50	29519 £27.00	29575 £36 plus VAT	4803 £19.00	29782 £23.00	29891 £70.88	29905 & CN865 £36 plus
System Booking agrees with Booking form	√	√	√	√	√	√	√	√	√	√	√	√
Correct Charging applied	√	√	√	√	√	tbc	√	√	√	√	√	√
VAT Correctly applied	√	√	√	√	√	√	√	√	√	√	√	√
Booking entered onto the Sales Ledger	√	√	√	√	√	√	√	√	√	√	√	√
Payment appears on Bank Statement	√	√	√	√	√	√	√	√	√	√	√	√
Payment Date	05.11.24	31.12.24	14.01.25	18.02.25	03.03.25	10.04.25	28.04.25	23.05.25	18.06.25	03.07.25	19.08.25	05.09.25



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Mrs S Norman
North Horsham Parish Council
Roffey Millennium Hall
Crawley Road
Horsham
West Sussex
RH12 4DT

4 November 2025

Dear Sarah

Re: North Horsham Parish Council
Internal Audit for Financial Year Ended 31 March 2026 – Interim Audit report

Executive summary

Following completion of our interim internal audit on 4 November 2025 we enclose our report for your kind attention and presentation to the council. The audit was conducted in accordance with current practices and guidelines, and testing was risk based. Whilst we have not tested all transactions, our samples have where appropriate covered the entire year to date.

Our report is presented in the same order as the assertions on the internal auditor report within the published Annual Governance and Accountability Return (AGAR). The start of each section details the nature of the assertion to be verified. Testing requirements follow those detailed in the audit plan previously sent to the council, a copy of which is available on request. The report concludes with an opinion as to whether each assertion has been met or not at this point in the year. **Recommendations for action are shown in bold text and are summarised in the table at the end of the report.**

Our sample testing did not uncover any errors or misstatements that require reporting to the external auditor at this time, nor did we identify any significant weaknesses in the internal controls such that public money would be put at risk.

It is clear the council takes governance, policies and procedures seriously and I am pleased to report that overall, the systems and procedures you have in place are fit for purpose and whilst my report may contain recommendations to change these are not indicative of any significant failings, but rather are pointers to improving upon an already well-ordered system.

It is therefore our opinion that the systems and internal procedures at North Horsham Parish Council are well established and followed.

Regulation

The Accounts and Audit Regulations 2015 require smaller authorities, each financial year, to conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement in accordance with proper practices in relation to accounts. In addition to this, a smaller authority is required by Regulation 5(1) of the Accounts and Audit Regulations 2015 to “undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.”

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. The purpose of internal audit is to review and report to the authority on whether its systems of financial and other internal controls over its activities and operating procedures are effective.

Internal audit’s function is to test and report to the authority on whether its specific system of internal control is adequate and working satisfactorily. The internal audit reports should therefore be made available to all Members to support and inform them when they considering the authority’s approval of the annual governance statement.

Independence and competence

Your audit was conducted by Andy Beams of Mulberry Local Authority Services Ltd, who has over 35 years’ experience in the financial sector with the last 15 years specialising in local government.

Your auditor is independent from the management of the financial controls and procedures of the council and has no conflicts of interest with the audit client, nor do they provide any management or financial assistance to the client.

Engagement Letter and inherent risk assessment

An engagement letter was previously issued to the council covering the 2025/26 internal audit assignment, which includes the scope and plan of works and fee structure. Copies of this document are available on request from anna@mulberrylas.co.uk

In summary, our work will address each of the internal control objectives as stated on the Annual Internal Audit Report of the AGAR.

It is our opinion that the inherent risk of error or misstatement is low, and the controls of the council can be relied upon and as such substantive testing of individual transactions is not required. Testing to be carried out will be “walk through testing” on sample data to encompass the period of the council year under review.

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A. BOOKS OF ACCOUNT

Internal audit requirement

Appropriate accounting records have been kept properly during the year.

Audit findings

The audit was conducted on site with the Clerk, who also acts as the council's Responsible Financial Officer (RFO). The Clerk had prepared the information advised in advance of the visit, and overall, I have the impression that accounting records are neatly maintained and easily accessible. Other information was reviewed through discussion with the Clerk and a review of the council website www.northhorsham-pc.gov.uk

The council uses the Rialtas Business Solutions (RBS) accounting package for recording the council's finances. This is an industry specific accounting package. The accounting package is updated regularly and used to produce management information reports for review at council meetings.

The system requires the population of key data fields to enable the user to record a transaction. This is a clear and easy to follow system and a review of the cashbook shows that all data fields are being entered with sufficient narrative detail to accurately identify the source and purpose of each transaction.

I reviewed the nominal ledger entries for the period 1 April to 31 March to ensure items were posted to the correct heading and that there were no instances of netting off and the expenditure was correctly posted to the headings to which the line item related. This has confirmed that the accounting package is being properly used.

B. FINANCE REGULATIONS, GOVERNANCE AND PAYMENTS

Internal audit requirement

This authority complied with its Finance Regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.

Audit findings

Check the publication and minuting of the prior year audited AGAR and notice of conclusion of audit

The External Auditor's Report for 2024/25 was not qualified and has been published on the council website along with the Notice of Conclusion of Audit and was reported to the council meeting held on 4 September 2025 (minute ref FC/62/25).

Under other matters, the External Auditor commented 'As part of our intermediate testing, we requested information showing the review of documents including Financial Regulations, Standing Orders and their Code of Conduct. The council were able to evidence that these documents have been regularly reviewed. However, as noted within the council's Code of Conduct, it stated that best practice is for the model code to be reviewed on an annual basis to ensure that it is fit for purpose therefore the council should look to document this review within their minutes each financial year.'

I note the council reports that the Code of Conduct was reviewed at the July 2025 council meeting and has responded to the External Auditor's comments by acknowledging that while the Parish Council is not identified as a Principal Authority, for the avoidance of doubt, future reviews of the Code of Conduct would be conducted annually.

There is reference within the minutes of meetings of the council receiving and considering the internal auditor reports during the year, with the interim report being received by the Finance & Administration Committee at their meeting on 12 December 2024 (minute ref FA/48/24) and the final internal audit report being received at the council meeting on 15 May 2025 (minute ref FC/17/25).

Confirm by sample testing that councillors sign statutory office forms

I confirmed by sample testing that councillors sign “Acceptance of Office” forms together with a formal acceptance to receive information by electronic means in the form “As per Schedule 12 of the Local Government Act 1972, I consent to the receipt of all council meeting papers by electronic methods. I understand I may withdraw this consent at any time”

The council website includes a councillor page where the individual Register of Members’ Interests forms are published.

Confirm that the council is compliant with GDPR

The council is fully aware of GDPR and has undergone training. It was noted the council has established common email addresses for all councillors. This is recommended because it gives a natural segregation between work and personal lives, making it clear beyond doubt in what capacity a councillor is acting. In addition to this it gives control to the council, adds a degree of professionalism and in the event of a FOI request limits access to personal computers.

The Smaller Authorities Proper Practices Panel (SAPPP) Practitioner’s Guide (March 2025) contains updated guidance on the matter as below, including details of the new Governance Assertion to be included in the 2025/26 AGAR:

Assertion 10 - Digital and data compliance

To warrant a positive response to this assertion, the authority needs to have taken the following actions:

1.47 *Email management - Every authority must have a generic email account hosted on an authority owned domain, for example clerk@abcparishcouncil.gov.uk or clerk@abcparishcouncil.org.uk rather than abcparishclerk@gmail.com or abcparishclerk@outlook.com for example.*

1.48 *All smaller authorities (excluding parish meetings) must meet legal requirements for all existing websites regardless of what domain is being used.*

1.49 *All websites must meet the [Web Content Accessibility Guidelines 2.2 AA](#) and the [Public Sector Bodies \(Websites and Mobile Applications\) \(No. 2\) Accessibility Regulations 2018](#) (where applicable).*

1.50 *All websites must include published documentation as specified in the [Freedom of Information Act 2000](#) and the [Transparency Code for Smaller Authorities](#) (where applicable).*

1.51 *All smaller authorities, including parish meetings, must follow both the [General Data Protection Regulation \(GDPR\) 2016](#) and the [Data Protection Act \(DPA\) 2018](#).*

1.52 *All smaller authorities, including parish meetings, must process personal data with care and in line with the principles of data protection.*

1.53 *The [DPA 2018](#) supplements the [GDPR](#) and classifies an authority as both a Data Controller and a Data Processor.*

1.54 All smaller authorities (excluding parish meetings) must also have an IT policy. This explains how everyone - clerks, members and other staff - should conduct authority business in a secure and legal way when using IT equipment and software. This relates to the use of authority-owned and personal equipment.

The council has a Privacy Notice, Website Accessibility Statement and FOI Publication Scheme published on its website and has a Communication Policy which includes elements required for inclusion within the IT Policy.

Confirm that the council is compliant with the relevant transparency code

As the council's income and expenditure exceeds £25,000, it is not a statutory requirement to follow the requirements of the Local Government Transparency Code, although it is recommended best practice to do so.

Confirm that the council meets regularly throughout the year

In addition to full council, the council has a committee structure in place with terms of reference for each committee published on the council website within the Standing Orders.

A diary of future meeting dates is also published on the council website, along with historic agendas and minutes for council and committee meetings.

Check that agendas for meetings are published giving 3 clear days' notice

I was able to confirm that at least 3 clear days' notice is given on agendas. Whilst we have not tested every single committee and council meeting there was no evidence of non-compliance in giving three clear days' notice of the meeting.

I note that the council also publishes the non-confidential supporting documentation with the agendas as required by the Information Commissioner's Office.

Check the draft minutes of the last meeting(s) are on the council's website

Minutes are uploaded to the council website and clearly annotated as draft where applicable.

Confirm that the Parish Council's Standing Orders have been reviewed within the last 12 months

The Standing Orders are based on the current NALC model and were most recently reviewed and adopted by council on 3 July 2025 (minute ref FC/37.2/25).

Confirm that the Parish Council has adopted and recently reviewed Financial Regulations

Financial Regulations are based on the current NALC model and were last reviewed and adopted by council on 3 July 2025 (minute ref FC/37.1/25). The regulations contain provisions for the approval of spending, setting of budgets, reconciliation of the bank and reporting to council.

Check that the council's Financial Regulations are being routinely followed

The council has thresholds in place at which authorisations to spend must be obtained as below:

FR 5.15 Expenditure on revenue items may be authorised up to the amounts included for that class of expenditure in the approved budget. The authority for expenditure outside of an approved budget is to be determined by:

- *the Council for all items over £5,000.*
- *the Finance and Administration Committee for items between £2,000 and £5,000.*
- *a duly delegated committee of the Council for items up to £2,000.*
- *The Clerk, in conjunction with the Chairman of the Council in accordance with clause 5.17.*

Such authority is to be evidenced by a minute or by an authorisation slip duly signed by the Clerk and the appropriate Chairman.

FR 5.17 *No expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure other than by request for Supplementary Budget. Supplementary Budgets will only be validated by resolution of the Finance and Administration Committee for all amounts over £2,000. Requests for a Supplementary Budget of over £5,000 must also be approved by resolution of the Council. During the budget year and with the approval of Council having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate ('virement').*

Virements must be approved as follows:

- *Up to £2,000 by the responsible Committee*
- *Over £2,000 by the Finance and Administration Committee*
- *Over £5,000 by the Finance and Administration Committee and the Council*

FR 5.18 *In cases of serious risk to the delivery of Council services or to public safety on Council premises, the Clerk may authorise expenditure of up to £10,000 excluding VAT on repair, replacement or other work that in their judgement is necessary, whether or not there is any budget for such expenditure. The Clerk shall report such action to the Chair as soon as possible and to the Council as soon as practicable thereafter or the Property Committee for expenditure from the R&R EMR.*

Based on the level of financial activity of the council, and through discussion with the Clerk, these authorisation thresholds appear appropriate.

From a review of council agendas, supporting papers and minutes, I confirmed that councillors regularly received updated financial information to support them in making informed financial decisions.

Confirm the council has adopted the General Power of Competence (GPC) and met the eligibility criteria at the time of adoption, or if GPC not adopted, confirm all section 137 expenditure meets the guidelines and does not exceed the annual per elector limit of £11.10 per elector

The council has confirmed its eligibility and adopted the General Power of Competence (GPC) and the section 137 threshold does not apply.

Check receipt of VAT refund matches last submitted VAT return

The council submits its VAT return on a quarterly basis. I reviewed the submission for the period ending 30 September 2025 which showed a refund amount due of £2,337.55 and was fully supported by the required details. I was able to confirm receipt of this amount to the council's bank account on 14 October 2025. The council is up to date with its VAT submissions.

Confirm that checks of the accounts are made by a councillor

The system noted above details internal review takes place and I am under no doubt that council properly approves expenditure.

C. RISK MANAGEMENT AND INSURANCE

Internal audit requirement

This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

Audit findings

The council's adopted Financial Regulations include a section covering Risk Management and state:

- FR 2.1 The Council must ensure that it has a sound system of internal control, which delivers effective financial, operational and risk management.*
- FR 2.2 The Clerk shall prepare, for approval by the Council, a risk management policy covering all activities of the Council. This policy and consequential risk management arrangements shall be reviewed by the Council at least annually.*
- FR 2.3 When considering any new activity, the Clerk shall prepare a draft risk assessment including risk management proposals for consideration by the Council.*
- FR 2.4 At least once a year, the Council must review the effectiveness of its system of internal control, before approving the Annual Governance Statement.*

The council has a risk management scheme in place, which was last reviewed and approved by council on 3 July 2025 (minute ref FC/42/25). As part of the overall scheme, there is a specific financial and management risk assessment, with has been reviewed by the Finance & Administration Committee in October 2025 (minute ref FA/33/25).

I reviewed the financial and management risk assessment, which identifies different areas of risk within the council's operations, assesses the likelihood and impact of occurrence to determine an overall risk level, specifies the people potentially at risk, notes the existing controls in place and details any actions required.

This is a comprehensive approach and includes analysis of all risks typically associated with a council of this size with its range of services and facilities.

I note the council also has a series of routine checks completed each month and an Internal Control Working party who test aspects of the council's processes and procedures, and I have no doubt that the council takes its risk management responsibilities seriously.

I confirmed that the council has a valid insurance policy in place with Hiscox Insurance, arranged through Gallagher, which covers the year under review. The policy includes Public Liability cover of £10 million, Employers Liability cover of £10 million and a Fraud & Dishonesty (Fidelity Guarantee) level of £775,000 which is sufficient for a council of this size, although the council is advised to keep this figure under review to ensure it covers the maximum balance held.

D. BUDGET, PRECEPT AND RESERVES

Internal audit requirement

The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.

Audit findings

The council set a precept of £401,537 for 2025/26. With a tax base of 8,977.7, this equates to a band D equivalent of £44.73 (compared to the average in England of £92.92).

The Clerk confirmed that the 2026/27 budget setting process has commenced. Each committee has reviewed its own element of the budget during the meetings that took place in September and October, with the initial draft budget reviewed at the Finance & Administration Committee meeting on 25 October 2025. The committee will review again at its December meeting prior to the final council approval at the meeting scheduled for 8 January 2026.

The budget report dated 4 November 2025 shows income reported as 83% of budget and expenditure at 55%, suggesting that the budget has been accurately set and carefully monitored throughout the year. There is evidence within the minutes of meetings that councillors regularly receive budget reports for review, providing them with sufficient financial information to make informed decisions.

The council currently holds circa £241,500 in earmarked reserves, spread across a range of clearly identifiable projects, including amounts received from Community Infrastructure Levy (CIL) which are identified separately. I checked the purpose of these earmarked reserves with the Clerk and am satisfied they are all for legitimate future planned projects of the council.

The Smaller Authorities Proper Practices Panel (SAPPP) Practitioner's guide provides updated guidance on the appropriate level of general reserves that councils should retain as below:

5.33 The general reserve of an authority comprises its cash flow and contingency funds to cover unexpected inflation, unforeseen events and unusual circumstances.

5.34 The generally accepted recommendation with regard to the appropriate minimum level of a smaller authority's general reserve is that this should be maintained at between three and twelve months of net revenue expenditure.

5.35 The reason for the wide range is to cater for the large variation in activity level between individual authorities. The smaller the authority, the closer the figure may be to 12 months expenditure, the larger the authority, the nearer to 3 months. In practice, any authority with income and expenditure in excess of £200,000 should plan towards 3 months equivalent general reserve.

5.36 In all of this it is important that each authority adopt, as a general reserve policy, the level appropriate to their size, situation, risks and plan their budget so as to ensure that the adopted level is maintained. Consideration of the minimum level of reserves requires not only consideration of level of income and expenditure but also the risks to that income.

5.37 Authorities with significant self-generated income (other than the precept or levy) should take into account situations that may lead to a loss in revenue as well as increased costs and adapt their general reserve accordingly.

A review of the general reserve will be conducted as part of the final internal audit and the council is advised to follow the recommended guidance in determining an appropriate level.

E. INCOME

Internal audit requirement

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

Audit findings

Apart from the precept, the council receives income from a range of sources including allotments and letting income from the hire of its building and sports facilities.

From a review of the accounting records, income appears to be recorded with sufficient narrative detail to identify the source and allocated to the most appropriate nominal code.

FR 13.2 states *'The Council will review all fees and charges for work done, services provided, or goods sold at least annually as part of the budget-setting process, following a report of the Clerk who shall be responsible for the collection of all amounts due to the Council.'*

Fees are reviewed as part of the budget setting process, and I note the proposed fees are included in the draft budget documents available for review at the interim audit.

The fees go through a process of review by the relevant committees, which form recommendations for the Finance and Administration Committee to approve as part of the draft budget proposal.

F. PETTY CASH

Internal audit requirement

Petty cash payments were properly supported by receipts; all petty cash expenditure was approved and VAT appropriately accounted for.

Audit findings

The council maintains a petty cash float with a maximum balance held of £150. The petty cash is used for incidental expenditure items, and averages around six entries per month. Entries are recorded on a spreadsheet and within the Rialtas accounting package as cashbook 2.

The council's Financial Regulations include a section covering the use of petty cash and state:

FR 10.1 The RFO shall maintain a petty cash float of £150 and may provide petty cash to officers for the purpose of defraying operational and other expenses.

a) Vouchers for payments made from petty cash shall be kept, along with receipts to substantiate every payment.

b) Cash income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.

c) Payments to maintain the petty cash float shall be shown separately on any schedule of payments presented for approval.

I am satisfied that the council has in place appropriate measures for the safe management of petty cash and is following its adopted Financial Regulations.

G. PAYROLL

Internal audit requirement

Salaries to employees and allowances to members were paid in accordance with the authority's approvals, and PAYE and NI requirements were properly applied.

Audit findings

The October payroll report shows eleven staff members listed. Payroll is processed is outsourced to West Sussex County Council who complete all the PAYE calculations and then make the salary, HMRC and pension payments, subsequently invoicing the council for the total amount.

I reviewed the payroll summaries and payslips for the previous two months and the payroll deductions appear correct. I was able to confirm that HMRC and pensions payments are up to date and that the council is correctly not claiming the employment allowance for national insurance contributions.

There is a councillor allowance scheme in place, with payments made quarterly to eligible (elected) members through payroll and assessed for tax and national insurance. The most recent payments to eligible councillors are included in the October 2025 payroll report.

H. ASSETS AND INVESTMENTS

Internal audit requirement

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

Audit findings

The Smaller Authorities Proper Practices Panel (SAPPP) Practitioner's guide provides updated guidance on assets and asset registers as below:

5.58 The asset register should contain in its most simple form the date of acquisition, cost of acquisition, useful life estimate and location along with value held for investments; however, it is desirable for the register to contain other such supplementary information to enable the user to better understand the nature and scope of the use of the fixed asset. It is therefore recommended to show insurance value, replacement value, custodian, date last physically vouched.

5.59 Each authority may choose an appropriate minimum value for deciding between fixed assets and general consumables. The limit chosen will relate to expected useful life, whether the item would be included on an insurance claim and whether it is included in the risk assessment of the authority in any way. This minimum level is to be minuted and reviewed at least annually. The rationale and methodology should be recorded in the minutes.

5.60 One item or group of similar items shall be regarded for inclusion in the fixed asset register.

5.61 Assets should be first recorded in the asset register at their actual purchase cost.

5.62 Assets that are either under construction or have not been brought into use should be included on the asset register only once complete and they benefit the community.

5.63 *Obsolete assets that are no longer in use or are awaiting disposal should be clearly recorded as such.*

5.64 *Where an authority receives an asset as a gift at zero cost, for example by community asset transfer, it should be included with a nominal one-pound (£1) value as a proxy for the zero cost.*

5.65 *Assets that do not have a functional purpose or any intrinsic resale value (for example, a village pond or war memorial) are often referred to as 'community assets'. Authorities should record community assets in the asset register in the same way as gifted assets.*

5.66 *The particular method of asset valuation is not specified in proper practices so authorities may use any reasonable approach to be applied consistently from year to year. The method of asset valuation adopted should be set out in a policy approved by the authority and recorded in the authority's minutes and in the asset register.*

5.67 *For authorities covered by this guide, the most appropriate and commonly used method of fixed asset valuation for first registration on the asset register is at acquisition cost. This means that the recorded value of the asset will not change from year to year, unless it is materially enhanced.*

5.68 *Commercial concepts of depreciation, impairment adjustments, and revaluation are not required nor appropriate for this method of asset valuation.*

5.69 *The total value of an authority's assets recorded on the asset register as at 31 March each year is reported at Line 9 on the authority's AGAR. Authorities should be able to track and explain fully any changes in the asset register from year to year.*

The council has a fixed asset register in place, maintained in an Excel format, which includes a summary page and then detailed sections showing a description of each asset, its date of acquisition, its proxy cost or purchase value, replacement cost, insured value, disposal details and any supporting notes.

Assets are correctly listed at cost/proxy cost, or where gifted/donated, given a nominal £1 value for the purpose of the asset register.

I note the council has adopted a '*de minimis*' limit of £200 which is reasonable for a council of this financial size.

The Smaller Authorities Proper Practices Panel (SAPPP) Practitioner's guide provides updated guidance on investments, and defines a long-term investment as below:

2.23 *Short-term investments, which mainly include deposit and savings accounts typically provided by banks, are those that display the following characteristics:*

- a. are denominated in pounds Sterling;*
- b. be realisable at full value on demand or have a maturity end date of not more than 12 months;*
- c. the whole of the original sum invested can, from the time that the investment is made, be accessed for use by the authority without any reduction; and*
- d. the authority has assessed the counterparty and is satisfied that the original sum invested is not subject to unreasonable risk.*

2.26 *A long-term investment arises where the authority invests money in anything other than a short-term investment.*

1.11 Arrangements need to be in place to ensure that the authority's funds are managed properly and that any amounts surplus to requirements is invested appropriately, in accordance with an approved strategy which needs to have regard to the government's [Statutory Guidance on Local Government Investments](#). If total investments are to exceed the threshold specified in the statutory guidance at any time during a financial year, the authority needs to produce and approve an annual Investment Strategy in accordance with the guidance.

The council has adopted a Treasury Management Policy to support its future decision making on placement of funds in accordance with the statutory guide. The Policy was most recently reviewed and adopted by the council at the meeting held in July 2025.

The council has borrowing through the Public Works Loan Board (PWLB) and confirmation of the figures for in year payments (box 5) and year-end balance (box 10) will be completed at the final internal audit against the PWLB statement and remittance advices.

I. BANK AND CASH

Internal audit requirement

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

Audit findings

Financial Regulation 2.6 states 'On a regular basis, at least once in each quarter, and usually at the meetings of the Finance and Administration Committee, the Chairman of the Finance & Administration Committee Meeting at which the reconciliations are received shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any exceptions to, and noted by the Finance Committee.'

Bank reconciliations are completed monthly. I reviewed the latest bank reconciliation for all accounts and was able to confirm the balances to the bank statements and found no errors.

I was able to confirm that the bank reconciliations have been verified in accordance with Financial Regulations, and evidence of this activity taking place is recorded within the minutes of meetings of the Finance & Administration Committee.

As the council's annual budget exceeds the €500,000 (£430,950 as of 3 July comparative date) threshold, it is not protected by the Financial Services Compensation Scheme (FSCS).

J. YEAR END ACCOUNTS

Internal audit requirement

Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), supported by an adequate audit trail from underlying records and, where appropriate, debtors and creditors were properly recorded.

Audit findings

To be tested at the final internal audit.

K. LIMITED ASSURANCE REVIEW

Internal audit requirement

IF the authority certified itself as exempt from a limited assurance review in the previous year, it met the exemption criteria and correctly declared itself exempt.

Audit findings

The council did not certify itself exempt in 2024/25 due to exceeding the income and expenditure limits and this test does not apply.

L: PUBLICATION OF INFORMATION

Internal audit requirement

The authority publishes information on a free to access website/webpage, up to date at the time of the internal audit in accordance with relevant legislation

Audit findings

The council is reminded that the following requirements apply.

For councils with a turnover over £25,000, it is recommended best practice to follow the Local Government Transparency Code 2015, but not a statutory requirement and therefore not subject to verification during the internal audit.

All councils are required to follow The Accounts and Audit Regulations which include the following requirements:

13(1) An authority must publish (which must include publication on that authority's website)

- (a) the Statement of Accounts together with any certificate or opinion entered by the local auditor in accordance with section 20(2) of the Act; and
- (b) the Annual Governance Statement approved in accordance with regulation 6(3)

13(2) Where documents are published under paragraph (1), the authority must

- (a) keep copies of those documents for purchase by any person on payment of a reasonable sum; and
- (b) ensure that those documents remain available for public access for a period of not less than five years beginning with the date on which those documents were first published in accordance with that paragraph.

Testing for publication to meet this requirement will be completed at the final internal audit.

M: EXERCISE OF PUBLIC RIGHTS - INSPECTION OF ACCOUNTS**Internal audit requirement**

The authority, during the previous year, correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.

Audit findings

Inspection – key dates	2024/25 Actual
Date AGAR signed by council	15 May 2025
Date inspection notice issued	2 June 2025
Inspection period begins	3 June 2025
Inspection period ends	14 July 2025
Correct length (30 working days)	Yes
Common period included (first 10 working days of July)	Yes

I am satisfied the requirements of this control objective were met for 2024/25, and assertion 4 on the Annual Governance Statement can therefore be signed yes by the council.

N: PUBLICATION REQUIREMENTS**Internal audit requirement**

The authority complied with the publication requirements for the prior year AGAR.

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

Before 1 July 2025 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 2024/25, approved and signed, page 4*
- *Section 2 - Accounting Statements 2024/25, approved and signed, page 5*

Not later than 30 September 2025 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.

Audit findings

I was able to confirm that the Notice of the Period of Public Rights and Section 1 (Annual Governance Statement) and Section 2 (Accounting Statement) were published on the council's website before 1 July 2025.

I was able to confirm that the Notice of Conclusion of Audit and External Auditor Report and Certificate were published on the council's website before 30 September 2025.

The council has therefore met the publication requirements for 2024/25.

O. TRUSTEESHIP

Internal audit requirement

Trust funds (including charitable) – The council met its responsibilities as a trustee.

Audit findings

The council has no trusts, and testing for this internal control objective is not applicable.

Achievement of control assertions at final internal audit date

Based on the tests conducted during the interim audit, our conclusions on the achievement of the internal control objectives to date are summarised in the table below.

	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 Finance Regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for	✓		
C	This authority assesses 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 the 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), supported by an adequate audit trail from underlying records and, where appropriate, debtors and creditors were properly recorded.	To be tested at final internal audit		
K	If the authority certified itself as exempt from a limited assurance review in the previous year, it met the exemption criteria and correctly declared itself exempt.			✓
L	The authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	To be tested at final internal audit		
M	The authority, during the previous year correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations.	✓		
N	The authority complied with the publication requirements for prior year AGAR.	✓		
O	Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

Should you have any queries please contact me directly on andy@mulberrylas.co.uk or 07428 647069

Yours sincerely



Andy Beams
Director, Mulberry Local Authority Services Ltd

Interim Internal Audit - Points Carried Forward

Audit Point	Interim Audit Findings	Council comments
None		



NORTH HORSHAM PARISH COUNCIL EMPLOYER PENSIONS DISCRETIONS POLICY

Adopted by the Council at its Meeting held on 13th January 2022
Reviewed and Agreed by the Council 8th January 2026 ~~11th January 2024~~

NORTH HORSHAM PARISH COUNCIL

EMPLOYER TABLE OF DISCRETIONS

North Horsham Parish Council elects not to publish any non-mandatory Pensions Discretions Policies but will give consideration to these at the appropriate time(s) having regard to a fully costed business case, the specific circumstances in each case and any previous decisions.

Regulation	Description of Discretion	Discretion Employed
<p>A Regulations 16(2e) and 16(4d) of the LGPS Regulations 2013</p>	<p>How much and in what circumstances North Horsham Parish Council will contribute to a shared costs APC (Active Member Additional Pension) to purchase extra pension up to £6,822 per annum (Figures as at 1st April 2018) (applicable to members who were actively paying into the Scheme as at 1st April 2014 onwards).</p>	<p>With regard to making contributions to a shared cost APC, North Horsham Parish Council will not normally make such contributions.</p> <p><i>Mandatory</i></p>
<p>B Regulation 30(6) of the LGPS Regulations 2013 and Regulation 11(2) of the (Transitional Provisions and Savings) Regulations 2014</p> <p>Regulation 30(8) of the LGPS Regulations 2013</p>	<p>Whether all or some benefits can be paid if an employee reduces their hours or grade. (applicable to members who were actively paying into the Scheme as at 1st April 2014 onwards).</p> <p>Flexible retirement and waiving of any actuarial reduction. (applicable to members who were actively paying into the Scheme as at 1st April 2014 onwards).</p>	<p>With regard to flexible retirement, North Horsham Parish Council will consider each request on a case-by-case basis. The Parish Council's policy aims to help employees phase into their retirement. Partial/flexible retirement lets employees continue working on reduced hours or reduced grade basis and depending on when their membership of the LGPS commenced and draw all, part or none of their accrued pension benefits subject to certain qualifying criteria. To be eligible to make a request for Flexible Retirement under the LGPS Regulations, the employee must:</p> <ul style="list-style-type: none"> ➤ Be actively making contributions to the LGPS ➤ Be aged 55 or over ➤ Have two years or more membership in the LGPS ➤ Be taking at least a 20% reduction in your hours and/or your salary <p><i>Mandatory</i></p>

Regulation	Description of Discretion	Discretion Employed
<p>C Regulation 30(8)</p> <p>Transitional Regulation Sch2 para 1(1)(c)</p> <p>Transitional Provisions, Savings and Amendment Regulations 2014 Sch2 para 1(1)(c) & 1(2)</p> <p>Transitional Provisions, Savings and Amendment Regulations 2014 Sch2 para 1(1)(f) & 1(2)</p> <p>Transitional Provisions, Savings and Amendment Regulations 2014 3(1), Sch2 para 2(1) and LGPS (Benefit, Membership and Contributions) Regulations 2007 30(5) and 30A(5)</p>	<p>Whether to waive, in whole or in part, the actuarial reduction to benefits which a member voluntarily draws before Normal Pension Age other than on flexible or ill-health retirement (applicable to members who were actively paying into the Scheme as at 1st April 2014 onwards).</p> <p>Whether to switch on the 85-year rule for a member aged between 55 and 60 where retirement benefits are voluntarily drawn other than on the grounds of flexible or ill-health (applicable to members who were actively paying into the Scheme as at 1st April 2014 onwards).</p> <p>Whether to switch on the 85-year rule for a member aged between 55 and 60 where retirement benefits are voluntarily drawn other than on the grounds of flexible or ill-health (applicable to members who left the Scheme between 1st April 2008 and 31st March 2014).</p> <p>Whether to switch on the 85-year rule for a member aged between 55 and 60 where retirement benefits are voluntarily drawn other than on the grounds of flexible or ill-health (applicable to members who left the Scheme between 1st April 1998 and 31st March 2008).</p> <p>Whether to waive any actuarial reduction on pre and/or post April 2014 benefits where retirements benefits are voluntarily drawn other than on the grounds of flexible or ill health retirement, dependent on date of birth/date joined Scheme (applicable to members who were actively paying into the Scheme as at 1st April 2014 onwards) :-</p>	<p>With regard to early payment of deferred benefits, North Horsham Parish Council will not normally pay these, or switch on the 85-year rule, except in exceptional and compelling compassionate grounds following consideration of a fully costed business case. Where benefits are taken early, they will normally be reduced to take into account early payment</p> <p><i>Mandatory.</i></p>

Regulation	Description of Discretion	Discretion Employed
<p>Transitional Provisions, Savings and Amendment Regulations 2014 3(1), Sch2 para 2(1) and LGPS (Benefit, Membership and Contributions) Regulations 2007 30(5) and 30A(5) cont...</p> <p>Transitional Provisions, Savings and Amendment Regulations 2014 Sch2 para 2(1) and LGPS (Benefit, Membership and Contributions) Regulations 2007 30(5)</p> <p>LGPS Regulations 1997 31(2)</p> <p>LGPS Regulations 1997 31(5) and Transitional Provisions, Savings and Amendment Regulations 2014 Sch2 2(1)</p> <p>LGPS Regulations 1995 D11(2)(C)</p>	<p>Group 1 – Member joined before 01/10/06 and born before 01/04/56.</p> <p>Group 2 – Member joined before 01/10/06 born between 01/04/56 and 31/03/60 and meets the 85-year rule before 01/04/20.</p> <p>Group 3 – Member joined before 01/10/06 and is not a Group 1 or 2 member.</p> <p>Group 4 – Member joined after 01/10/06</p> <p>Whether to waive on compassionate grounds any actuarial reduction on deferred benefits where member left the scheme between 1st April 2008 and 31st March 2014 where retirement benefits are voluntarily drawn other than on the grounds of flexible or ill health retirement.</p> <p>Grant an application from a post 31st March 1998/pre-1st April 2008 leaver for early payment of benefits on or after age 50 and before 55, not on the grounds of ill-health.</p> <p>Whether to waive on compassionate grounds the actuarial reduction applied to benefits paid before 65 for a post 31 March 1988/pre-1st April 2014 leaver.</p> <p>Whether to grant pre-1st April 1998 leavers early payment of their deferred benefits on or after age 50 and before NRD on compassionate grounds.</p>	<p>(see above)</p>

Regulation	Description of Discretion	Discretion Employed
<p><u>D</u> Regulation 31 of the LGPS Regulations 2013</p>	<p>Whether to grant additional pension of up to £7,026 per annum (as at 1st April 2019) to an active member or within six months of ceasing to be an active member by reason of redundancy or business efficiency (applicable to members who were actively paying into the Scheme as at 1st April 2014 onwards).</p>	<p>In respect of redundancy and business efficiency, additional membership will only be used in exceptional and compelling circumstances and where there will be significant benefits to North Horsham Parish Council.</p> <p><i>Mandatory</i></p>