

Chichester City Council

## AGENDA ITEM 6

### **Sub-Committee make up – 2025-2026**

**Nominations to Sub-Committees reporting to the Finance Committee – presented to the meeting of the Finance Committee held on 18 June 2025**

#### ***Personnel***

Cllr Judy Gershater  
Cllr Louise Pramas  
Cllr Anne Scicluna  
Cllr Ken Squire

#### ***Property***

Cllr Anne Scicluna  
Cllr Clare Apel  
Cllr Ann Butler  
Cllr Stuart Loxton  
Cllr Robert Miall  
Cllr Sarah Quail

#### ***Business Plan***

Cllr Robert Miall  
Cllr Rhys Chant  
Cllr Craig Gershater  
Cllr Stuart Loxton  
Cllr Sarah Quail  
Cllr Ken Squire

## AGENDA ITEM 12

**Cil expenditure over years**

£ 1,649,408.27

CII Receipts retained  
(at 31st March 2025)

Anticipated CIL Income to 2029

£ 1,505,736.00	Whitehouse phase 2
£334,804	Remaining City wide 270 housing allocation in Local Plan
£150,000	Balance of Whitehouse phase 1
£50,000	Windfall developments

City Projects	Spend in Previous years	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
Cycle racks	£ 25,296.50							
Litter lighting	£ 26,798.21							
Canal bank	£ 10,000.00							
Electric Van	£ 14,355.00							
St James solar Panels	£ 9,999.17							
Ride on mower	£ 9,587.49							
Streetslights			£ 32,000.00	£ 16,000.00	£ 16,000.00	£ 16,000.00	£ 16,000.00	£ 16,000.00
Traffic schemes			£ 11,000.00	£ 10,000.00	£ 10,000.00	£ 10,000.00	£ 10,000.00	£ 10,000.00
Improve City signage £20,000	£ 9,537.72		£ 20,000.00					
Cathedral beds -		£ 30,265.00	£ 29,735.00			£ 75,000.00		
Council house entrance project								
Energy Efficiency Schemes 200k	£ 29,533.00	£ 105,564.67	£ 64,902.33					
Pavements - £100,000	£ 8,000.00		£ 400,000.00					
Neighbourhood Plan – up tp £100,000	£ 70,314.00	£ 2,097.50						
Tree Planting £3,000								
New Park Centre			£ 50,000.00	£ 50,000.00	£ 50,000.00			
NEST			£ 150,000.00					
Aluminium staging			£ 20,000.00					
Community Noticeboards			£ 14,500.00					
Project Manager		£ 34,565.21						
Cathedral Green		£ 20,000.00						
Crane Street		£ 8,000.00						
Brewery Field								
Community Grants		£ 39,574.88	£ 50,000.00	£ 50,000.00	£ 50,000.00	£ 50,000.00	£ 50,000.00	£ 50,000.00
Community Hall (South of city)			£ 500,000.00	£ 500,000.00				
Playgrounds			£ 75,000.00			£ 325,000.00		
	£ 213,421.09	£ 240,067.26	£ 1,417,137.33	£ 626,000.00	£ 126,000.00	£ 478,000.00	£ 76,000.00	£ 76,000.00

**Cil allocated to identified projects**  
**Potential unallocated Cil funds**

£ 2,797,137.33  
892,810.94

**Anticipated Cil receipts calculated as follows:**

whitehouse farm phase 2	no. homes
Permissions granted	850
% Market housing	70
% Social Housing	30
Average Sq m per dwelling	100
Cll levy rate/ sq m (@ 2024 rates)	£ 168.71
Total levy raised	£ 10,039,245.00
15% neighbourhood receipts	£ 1,505,736.75

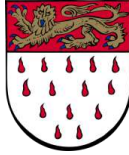
City Centre Developments	no. homes
Permissions granted	270
% Market housing	70
% Social Housing	30
Average Sq m per dwelling	70
Cil levy rate/ sq m (@ 2024 rates)	£ 168.71
Total levy raised	£ 2,232,033.30
<b>15% neighbourhood receipts</b>	<b>£ 334,805.00</b>

## AGENDA ITEM 12

### CIL - Cashflow forecast

**opening balance** £ 1,649,408.27

FY	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Anticipated Receipts		£ 70,000.00	£ 100,000.00	£ 320,000.00	£ 400,000.00	£ 500,000.00	£ 500,000.00
Anticipated Expenditure		£ 1,417,137.33	£ 626,000.00	£ 126,000.00	£ 476,000.00	£ 76,000.00	£ 76,000.00
<b>Closing balance</b>	<b>£ 1,649,408.27</b>	<b>£ 302,270.94</b>	<b>-£ 223,729.06</b>	<b>-£ 29,729.06</b>	<b>-£ 105,729.06</b>	<b>£ 318,270.94</b>	<b>£ 742,270.94</b>



# AGENDA ITEM 13

## Chichester City Council

### **FINAL ACCOUNTS 2024/2025**

### **FINANCE COMMITTEE 18<sup>TH</sup> JUNE 2025**

#### **Year End Accounts Summary 2024/25**

The Year End Accounts to 31<sup>st</sup> March 2025 shows a surplus of £79,845.67. The General Reserve now holds a balance of £654,433.26.

The City Council's total balances and reserves at the end of the year £2,681,435 plus £490,000 investment in the Local Government Property Fund.

Overall, the Earmarked Reserves have decreased from £2,138,980 to £2,093,320.56. This does include £1,6494,08.27 Cil funds. During the year we received £198,527 in Cil receipts and spent £240,067.

The Council House Maintenance Reserve balance is now £165,884 and the allotment reserve has been increased by £10,000 to £16,524. We have set aside a reserve of £12,000 for the introduction of a system to enable remote meetings. A detailed list of earmarked reserves is on page 21 of the Financial Statements.

The Budgets carried forward into 2025-2026 are;

Discretionary Grants £664

Public Realm £11,290

Kim Martin

Deputy Town Clerk and Responsible Finance Officer

## AGENDA ITEM 13

**Chichester City Council**

**Unaudited Financial Statements**

**For the year ended 31 March 2025**

## Chichester City Council

### Table of Contents

31 March 2025

	<b>Page</b>
<b>Table of Contents.....</b>	<b>2</b>
<b>Council Information.....</b>	<b>3</b>
<b>Statement of Responsibilities.....</b>	<b>4</b>
<b>Statement of Accounting Policies.....</b>	<b>5</b>
<b>Income and Expenditure Account.....</b>	<b>8</b>
<b>Statement of Movement in Reserves.....</b>	<b>9</b>
<b>Balance Sheet.....</b>	<b>10</b>
<b>Cash Flow Statement.....</b>	<b>11</b>
<b>Notes to the Accounts.....</b>	<b>12</b>
1 Other Costs Analysis.....	12
2 Interest and Investment Income.....	12
3 Agency Work.....	12
4 General Power of Competence.....	13
5 Related Party Transactions.....	13
6 Audit Fees.....	13
7 Publicity.....	13
8 Members' Allowances.....	13
9 Employees.....	13
10 Pension Costs.....	14
11 Tangible Fixed Assets.....	14
12 Financing of Capital Expenditure.....	15
13 Information on Assets Held.....	15
14 Investments.....	16
15 Debtors.....	16
16 Creditors and Accrued Expenses.....	16
17 Financial Commitments under Operating Leases.....	17
18 Deferred Grants.....	17
19 Revaluation Reserve.....	17
20 Capital Financing Account.....	18
21 Financial Instruments Financing Account.....	18
22 Usable Capital Receipts Reserve.....	18
23 Earmarked Reserves.....	19
24 Capital Commitments.....	19
25 Contingent Liabilities.....	19
26 Reconciliation of Revenue Cash Flow.....	19
27 Movement in Cash.....	20
28 Reconciliation of Net Funds/Debt.....	20
29 Post Balance Sheet Events.....	20
<b>Appendices.....</b>	<b>21</b>

**Chichester City Council**

**Council Information**

**31 March 2025**

**( Information current at 25th June 2025 )**

**Mayor**

Cllr S. McHale

**Councillors**

Cllr C.M.M. Apel

Cllr A. Butler

Cllr R. Chant

Cllr M. Corfield

Cllr C. Gershater

Cllr J. Gershater

Cllr S. Knight

Cllr J. Kondabeka

Cllr S. Loxton

Cllr R. Miall

Cllr R. Moore

Cllr L. Pramas

Cllr S. Quail

Cllr A.M.D. Scicluna

Cllr K. Squire

Cllr J. Vivian

**Clerk to the Council**

Mrs S. Tate CiLCA

**Responsible Financial Officer (R.F.O.)**

Mrs K. Martin MAAT

**Auditors**

Moore (East Midlands)

Rutland House

Minerva Business Park

Lynch Wood

Peterborough

PE2 6PZ

Chichester City Council  
Statement of Responsibilities  
31 March 2025

## **The Council's Responsibilities**

The council is required:

- to make arrangements for the proper administration of its financial affairs
- to secure that one of its officers (R.F.O.) has the responsibility for the administration of those affairs. At this council that officer is the Deputy Town Clerk & Finance Manager, and
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

## **The Responsible Financial Officer's Responsibilities**

The R.F.O. is responsible for the preparation of the council's Unaudited Financial Statements in accordance with Part 4 of the "Governance and Accountability for Local Councils – A Practitioners Guide (England) (as amended)" (the guide), so far as is applicable to this council, to present a true and fair view of the financial position of the council at 31 March 2025 and its income and expenditure for the year then ended.

In preparing the Unaudited Financial Statements, the R.F.O. has:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent, and
- complied with the guide.

The R.F.O. has also:

- kept proper accounting records, which were up to date, and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

## **Responsible Financial Officer's Certificate**

I further certify that the Unaudited Financial Statements present a true and fair view of the financial position of Chichester City Council at 31 March 2025, and its income and expenditure for the year ended 31 March 2025.

Signed: 

Mrs K. Martin MAAT- Deputy Town Clerk & Finance Manager

Date: 30th May 2025



**Chichester City Council**  
**Statement of Accounting Policies**  
**31 March 2025**

## **Auditors**

**The name and address of the External Auditors is provided for information only.**

**These Statements are not subject to audit and the External Auditors have no responsibility for them.**

## **Accounting Convention**

The accounts have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) (FRSSE) issued by the Accounting Standards Board, as applied to Local Councils by part 4 of Governance and Accountability for Local Councils – A Practitioners Guide (England) (the guide). Comparative figures have been restated to conform to the revised formats where appropriate. Certain requirements have been omitted for clarity and simplicity as these statements are not subject to audit. They are produced in support of the council's audited Statement of Accounts contained within the Annual Return Statement of Accounts.

These accounts have been prepared having regard to the fundamental accounting concepts of: Going Concern, Prudence, Accruals, Relevance, Consistency, Reliability, Comparability, Understandability and Materiality.

The accounts have been prepared under the historical cost convention.

## **Fixed Assets**

All expenditure in excess of £1000 (on any one item or group of similar items) on the acquisition, creation or enhancement of fixed assets is capitalised on an accruals basis in the accounts. Expenditure on fixed assets is capitalised, provided that the fixed asset yields benefits to the authority and the services it provides, for a period of more than one year. Fixed assets are valued on the basis recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) and in accordance with the statements of asset valuation principles and guidance notes issued by the Royal Institution of Chartered Surveyors (RICS). The closing balances are stated on the following basis:

land and buildings are included in the balance sheet at Depreciated Replacement Cost (DRC). The DRC basis of valuation requires an estimate of the value of the land in its existing use, together with the current replacement cost of the building and its external works, from which appropriate deductions have been made to reflect the age, condition, economic, functional and environmental obsolescence and other locational factors which might result in the existing building being worth less than a new replacement building,

all other assets are included in the balance sheet at the lower of cost (estimated where not known) or estimated realisable value, except that,

certain community assets are the subject of restrictive covenants as to their use and/or future disposal. Such assets are therefore considered to have no appreciable realisable value and are included at nominal value only.

The surplus or deficit arising on periodic revaluations of fixed assets has been credited or debited to the Revaluation Reserve. Subsequent revaluations of fixed assets are planned at five yearly intervals, although material changes to asset valuations will be adjusted in the interim period, should they occur.

In accordance with Financial Reporting Standard (FRS) 15, depreciation is provided on all operational buildings (but not land), as well as other assets.

**Chichester City Council**  
**Statement of Accounting Policies**  
**31 March 2025**

## **Depreciation Policy**

Buildings and leasehold land are depreciated over the shorter of 50 years or the anticipated remaining useful lives on a straight line basis.

Freehold land is not depreciated.

Non Operational Assets (including Investment Properties) are not depreciated.

Vehicles, plant, equipment and furniture are depreciated over 5 to 10 years on a straight line basis.

Infrastructure assets are depreciated over 10 years at 10% per annum straight line.

Community assets are not depreciated, because they are of either intrinsic or purely nominal value.

Depreciation is accounted for as a Balance Sheet movement only, not through the Income and Expenditure Account.

## **Grants or Contributions from Government or Related Bodies**

### **Capital Grants**

Where a fixed asset has been acquired or improved with the financing either wholly or in part by a grant or contribution from government or a related body, e.g. Sports Council, the amount of the grant has been credited to Deferred Grants Account and carried forward. Grants so credited are released back to revenue over the life of the asset to match, and thereby offset wholly or in part, depreciation charged.

### **Revenue Grants**

Revenue grants are credited to income when conditions attached thereto have been fulfilled and/or equivalent expenditure has been incurred. Grants received in respect of which the conditions have not been fulfilled, or expenditure incurred, are carried forward as deferred revenue grants.

## **Investments**

Investments are included in the balance sheet at historic cost and realised gains or losses are taken into the income and expenditure account as realised. Details are given at note 14.

## **Debtors and Creditors**

The revenue accounts of the council are maintained on an accruals basis in accordance with the regulations. That is sums due to or from the council during the year are included whether or not the cash has actually been received or paid in the year. Exceptions to this are payment of regular quarterly and other accounts (e.g. telephones, electricity). This policy is applied consistently each year. Therefore, it will not have a material effect on the year's accounts or on the council's annual budget.

The council reviews the level of its commercial debtors on a regular basis and provisions are made, as required, where the likelihood of amounts proving ultimately collectable is in doubt.

## **Value Added Tax**

Income and Expenditure excludes any amounts related to VAT, as all VAT suffered/collected is recoverable from or payable to HM Revenue and Customs. Any amounts not so recoverable are treated as a separate expense.

## **External Loan Repayments**

The council has no long term borrowing. Consequently, there were no external loan repayments made in the year.

**Chichester City Council**  
**Statement of Accounting Policies**  
**31 March 2025**

## **Leases**

Rentals payable under operating leases are charged to revenue on an accruals basis. Details of the council's obligations under operating leases are shown at note 17.

## **Reserves**

The council maintains certain reserves to meet general and specific future expenditure. The purpose of the council's reserves is explained in notes 20 to 23.

Certain reserves are maintained to manage the accounting processes for tangible fixed assets, available for sale investments and retirement benefits. They do not represent usable resources for the council:

Revaluation Reserves – hold balances representing unrealised gains on the appropriate asset since 1<sup>st</sup> April 2007.

Capital Financing Account – represent the council's investment of resources in such assets already made.

## **Interest Income**

All interest receipts are credited initially to general funds.

## **Cost of Support Services**

The costs of management and administration have been apportioned to services on an appropriate and consistent basis.

## **Pensions**

The pension costs that are charged against precept in the council's accounts, in respect of its employees, are equal to the contributions paid to the funded pension scheme for those employees.

These contributions are determined by the fund's actuary on a triennial basis and are set to meet 100% of the liabilities of the pension fund, in accordance with relevant government regulations.

The next actuarial valuation was due at 31st March 2025 and any change in contribution rates as a result of that valuation will take effect from 1st April 2026.

# AGENDA ITEM 13

**Chichester City Council**  
**Income and Expenditure Account**  
**31 March 2025**

	Notes	2025 £	2024 £
<b>Income</b>			
Precept on Principal Authority		851,726	767,615
Grants Receivable		258,229	471,965
Rents Receivable, Interest & Investment Income	2	224,365	198,642
Charges made for Services		102,298	87,443
Other Income		349	280
<b>Total Income</b>		<b>1,436,967</b>	<b>1,525,945</b>
<b>Expenditure</b>			
<b>Direct Service Costs:</b>			
Salaries & Wages		(357,692)	(241,664)
Grant-aid Expenditure		(54,500)	(35,722)
Other Costs	1	(500,770)	(304,790)
<b>Democratic, Management &amp; Civic Costs:</b>			
Salaries & Wages		(227,411)	(224,998)
Other Costs	1	(96,437)	(167,029)
<b>Total Expenditure</b>		<b>(1,236,810)</b>	<b>(974,203)</b>
<b>Excess of Income over Expenditure for the year:</b>		<b>200,157</b>	<b>551,742</b>
<b>Exceptional Items</b>			
(Loss) on the disposal of fixed assets		(6,143)	-
<b>Net Operating Surplus for Year</b>		<b>194,014</b>	<b>551,742</b>
<b>STATUTORY CHARGES &amp; REVERSALS</b>			
Capital Expenditure charged to revenue	12	(154,018)	(19,586)
Reverse profit on asset disposals		6,143	-
Transfer from/(to) Earmarked Reserves	23	33,707	(501,837)
<b>Surplus for the Year to General Fund</b>		<b>79,846</b>	<b>30,319</b>
<b>Net Surplus for the Year</b>		<b>46,139</b>	<b>532,156</b>
The above Surplus for the Year has been applied for the Year to as follows:			
Transfer from/(to) Earmarked Reserves	23	(33,707)	501,837
<b>Surplus for the Year to General Fund</b>		<b>79,846</b>	<b>30,319</b>
		<b>46,139</b>	<b>532,156</b>

The council had no other recognisable gains and/or losses during the year.

*The notes on pages 12 to 20 form part of these unaudited statements.*

# AGENDA ITEM 13

## Chichester City Council

### Statement of Movement in Reserves

31 March 2025

Reserve	Purpose of Reserve	Notes	2025 £	Net Movement in Year £	2024 £
Asset Revaluation Reserve	Store of gains on revaluation of fixed assets	19	213,748	-	213,748
Capital Financing Account	Store of capital resources set aside to purchase fixed assets	20	3,089,153	89,700	2,999,453
Investment Financing Account	Store of capital resources set aside to purchase investments	21	390,000	-	390,000
Usable Capital Receipts	Proceeds of fixed assets sales available to meet future capital investment	22	21,729	-	21,729
Earmarked Reserves	Amounts set aside from revenue to meet general and specific future expenditure	23	2,105,273	(33,707)	2,138,980
General Fund	Resources available to meet future running costs		654,434	79,846	574,588
Total			6,474,337	135,839	6,338,498

---

*The notes on pages 12 to 20 form part of these unaudited statements.*

# AGENDA ITEM 13

## Chichester City Council

### Balance Sheet

31 March 2025

	Notes	2025 £	2025 £	2024 £
<b>Fixed Assets</b>				
Tangible Fixed Assets	11		3,426,408	3,340,027
<b>Long Term Assets</b>				
Investments Other Than Loans	14		490,000	490,000
<b>Current Assets</b>				
Debtors and prepayments	15	21,173		40,630
Cash at bank and in hand		2,743,585		2,636,989
		2,764,758		2,677,619
<b>Current Liabilities</b>				
Creditors and income in advance	16	(83,323)		(42,323)
<b>Net Current Assets</b>			2,681,435	2,635,296
<b>Total Assets Less Current Liabilities</b>			6,597,843	6,465,323
Deferred Grants	18		(123,506)	(126,825)
<b>Total Assets Less Liabilities</b>			6,474,337	6,338,498
<b>Capital and Reserves</b>				
Revaluation Reserve	19		213,748	213,748
Capital Financing Reserve	20		3,089,153	2,999,453
Investments Financing Reserve	21		390,000	390,000
Usable Capital Receipts Reserve	22		21,729	21,729
Earmarked Reserves	23		2,105,273	2,138,980
General Reserve			654,434	574,588
			6,474,337	6,338,498


The Unaudited Financial Statements represent a true and fair view of the financial position of the Council as at 31 March 2025, and of its Income and Expenditure for the year.

These accounts were approved by the Council on 25th June 2025 .

Signed: .....

Cllr S. McHale

Mayor

..... 

Mrs K. Martin MAAT

Responsible Financial Officer

Date: .....

..... 

*The notes on pages 12 to 20 form part of these unaudited statements.*

# AGENDA ITEM 13

## Chichester City Council

### Cash Flow Statement

31 March 2025

	Notes	2025 £	2025 £	2024 £
<b>REVENUE ACTIVITIES</b>				
<i>Cash outflows</i>				
Paid to and on behalf of employees		(550,539)		(466,663)
Other operating payments		(618,175)		(505,989)
			(1,168,714)	(972,652)
<i>Cash inflows</i>				
Precept on Principal Authority		851,726		767,615
Cash received for services		164,298		126,480
Revenue grants received		258,229		471,965
			1,274,253	1,366,060
<b>Net cash inflow from Revenue Activities</b>	26		105,539	393,408
<b>SERVICING OF FINANCE</b>				
<i>Cash inflows</i>				
Interest received		155,075		126,127
<b>Net cash inflow from Servicing of Finance</b>			155,075	126,127
<b>CAPITAL ACTIVITIES</b>				
<i>Cash outflows</i>				
Purchase of fixed assets		(156,018)		(19,586)
<i>Cash inflows</i>				
Sale of fixed assets		2,000		-
<b>Net cash (outflow) from Capital Activities</b>			(154,018)	(19,586)
<b>Net cash inflow before Financing</b>			106,596	499,949
<b>Increase in cash</b>	27		106,596	499,949

*The notes on pages 12 to 20 form part of these unaudited statements.*

# AGENDA ITEM 13

## Chichester City Council

### Notes to the Accounts

31 March 2025

#### **1 Other Costs Analysis**

Other Costs reported in the council's Income and Expenditure Account comprise the following:

##### **Direct Service Costs**

	2025 £	2024 £
Heritage	3,196	1,441
Community Centres	115,218	76,936
Community Parks & Open Spaces	7,429	14,655
Allotments	30,050	20,996
Cemeteries	21,887	36,681
Public Conveniences	20,000	15,704
Community Safety (Crime Reduction)	49,067	47,180
Structure & Local	2,483	12,885
Grants from New Homes Bonus	167	13,346
Promotion & Marketing of the Area	214,564	42,419
Community Development	66,311	36,067
Routine Repairs (other roads)	18,043	21,857
Investment Properties	6,855	345
Less: Grant-aid Expenditure	(54,500)	(35,722)
<b>Total</b>	<b>500,770</b>	<b>304,790</b>

##### **Democratic, Management & Civic Costs**

	2025 £	2024 £
Corporate Management	29,505	60,073
Democratic Representation & Management	39,385	73,143
Civic Expenses	23,547	29,813
Mayors Allowance	4,000	4,000
<b>Total</b>	<b>96,437</b>	<b>167,029</b>

As reported in the Statement of Accounting Policies, apportionment of central costs is not reflected in the above analysis.

#### **2 Interest and Investment Income**

	2025 £	2024 £
Interest Income - General Funds	153,440	136,479
	<b>153,440</b>	<b>136,479</b>

#### **3 Agency Work**

During the year the Council undertook no agency work on behalf of other authorities.

During the year the Council commissioned no agency work to be performed by other authorities.



## Chichester City Council

### Notes to the Accounts

**31 March 2025**

#### **4 General Power of Competence**

With effect from 20th May 2015 Chichester City Council acquired the right to exercise the General Power of Competence extended to Town and Parish Councils under the Localism Act 2011 by S.I. 2012 No 965 (The Parish Councils (General Power of Competence) (Prescribed Conditions) Order 2012). Therefore, with effect from 20th May 2015 the council no longer exercises the powers conveyed by Section 137 of the Local Government Act 1972 (as amended).

#### **5 Related Party Transactions**

The council entered into no material transactions with related parties during the year.

#### **6 Audit Fees**

The council is required to report and disclose the cost of services provided by its external auditors.

These may be summarised as follows:

	2025 £	2024 £
Fees for statutory audit services	2,520	2,520
Total fees	2,520	2,520

#### **7 Publicity**

Section 5 of the Local Government Act 1986 requires the council to disclose expenditure on publicity. Details are shown under the following broad categories:

	2025 £	2024 £
Council House Publicity	-	107
	-	107

#### **8 Members' Allowances**

	2025 £	2024 £
Members of Council have been paid the following allowances for the year:		
Mayors Allowance	4,000	4,000
	4,000	4,000

#### **9 Employees**

The average weekly number of employees during the year was as follows:

	2025 Number	2024 Number
Full-time	10	9
Part-time	5	5
Temporary	2	3
	17	17

All staff are paid in accordance with nationally agreed pay scales.

## Chichester City Council

### Notes to the Accounts

**31 March 2025**

#### **10 Pension Costs**

The council participates in the West Sussex County Council Pension Fund. The West Sussex County Council Pension Fund is a defined benefit scheme, but the council is unable to identify its share of the underlying assets and liabilities because all town and parish councils in the scheme pay a common contribution rate.

The cost to the council for the year ended 31 March 2025 was £71,561 (31 March 2024 - £63,276).

The most recent actuarial valuation was carried out as at 31st March 2022, and the council's contribution rate is confirmed as being 18.20% of employees' pay with effect from 1st April 2025 (year ended 31 March 2025 – 18.20%). Financial Reporting Standard 17 (FRS17): "Retirement Benefits" sets out accounting requirements for pension costs. For schemes such as West Sussex County Council Pension Fund, paragraph 9(b) of FRS17 requires the council to account for pension costs on the basis of contributions actually payable to the scheme during the year.

There were no outstanding contributions at the balance sheet date.

#### **11 Tangible Fixed Assets**

	<b>Operational Freehold Land and Buildings</b>	<b>Non Operational Land and Buildings</b>	<b>Vehicles and Equipment</b>	<b>Infra- structure Assets</b>	<b>Community Assets</b>	<b>Total</b>
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 31 March 2024	1,385,187	1,558,550	269,336	218,591	679,691	4,111,355
Additions	105,565	-	29,593	20,860	-	156,018
Disposals	-	-	(9,770)	(5,660)	(8,679)	(24,109)
At 31 March 2025	1,490,752	1,558,550	289,159	233,791	671,012	4,243,264
<b>Depreciation</b>						
At 31 March 2024	(381,703)		(237,356)	(150,035)	(2,234)	(771,328)
Charged for the year	(26,777)		(13,747)	(20,970)	-	(61,494)
Eliminated on disposal	-		9,770	3,962	2,234	15,966
At 31 March 2025	(408,480)	-	(241,333)	(167,043)	-	(816,856)
<b>Net Book Value</b>						
At 31 March 2025	1,082,272	1,558,550	47,826	66,748	671,012	3,426,408
At 31 March 2024	1,003,484	1,558,550	31,980	68,556	677,457	3,340,027

Although classified as capital expenditure, certain minor equipment purchases are not included in the above as they are not material in overall value.

#### **Fixed Asset Valuation**

The freehold and leasehold properties that comprise the council's properties have been valued as at 31st March 2008 by external independent valuers, Messrs The District Valuation Service. Valuations have been made on the basis set out in the Statement of Accounting Policies, except that not all properties were inspected. This was neither practical nor considered by the valuer to be necessary for the purpose of valuation. Plant and machinery that form fixtures to the building are included in the valuation of the building.

#### **Assets Held under Finance Agreements**

The council holds no such assets

## Chichester City Council

### Notes to the Accounts

31 March 2025

#### 12 Financing of Capital Expenditure

	2025 £	2024 £
The following capital expenditure during the year:		
Fixed Assets Purchased	156,018	19,586
	<u>156,018</u>	<u>19,586</u>
was financed by:		
Capital Receipts	2,000	-
Revenue:		
Capital Projects Reserve	20,860	-
Equipment Replacement Reserve	105,565	19,586
Precept and Revenue Income	27,593	-
	<u>156,018</u>	<u>19,586</u>

#### 13 Information on Assets Held

Fixed assets owned by the council include the following:

##### Operational Land and Buildings

Council House and Assembly Rooms

##### Non-Operational Land and Buildings

Buttermarket

##### Vehicles and Equipment

Council House furniture and equipment

Sundry office equipment

M U G A Lighting

Allotments storage container

Ford Tipper

Renault Kangoo Van (Electric

##### Infrastructure Assets

Fencing

Heritage Lighting

Bus shelters - 5

Other street furniture

##### Community Assets

City Cross

St James Obelisk

Allotments – 7 sites

Litten War Memorial and Burial Ground

Furniture, Paintings and Artefacts

# AGENDA ITEM 13

## Chichester City Council

### Notes to the Accounts

31 March 2025

#### 14 Investments

	Investments Other Than Loans £
<b>Cost</b>	
At 01 April 2024	490,000
At 31 March 2025	490,000
<b>Amounts Written Off</b>	
At 31 March 2025	-
<b>Net Book Value</b>	
At 31 March 2025	490,000
	490,000
At 01 April 2024	490,000
	490,000

At 31 March 2025 the investments included above at a cost of £490,000 had a market value of £441,427 (31 March 2024 - £433,090 ).

#### 15 Debtors

	2025 £	2024 £
Trade Debtors	734	13,865
VAT Recoverable	-	4,940
Other Debtors	1,460	789
Revenue Grant Debtors	1,162	1,162
Prepayments	2,324	2,746
Accrued Interest Income	15,493	17,128
	21,173	40,630

#### 16 Creditors and Accrued Expenses

	2025 £	2024 £
Trade Creditors	-	29
Other Creditors	52,090	-
V A T Payable	1,508	-
Accruals	22,450	13,285
Income in Advance	7,275	29,009
	83,323	42,323

## Chichester City Council

### Notes to the Accounts

31 March 2025

#### **17 Financial Commitments under Operating Leases**

The council had annual commitments under non-cancellable operating leases of equipment as follows:

	2025 £	2024 £
Obligations expiring within one year	-	440
Obligations expiring between two and five years	953	-
Obligations expiring after five years	-	-
	953	440

#### **18 Deferred Grants**

	2025 £	2024 £
<b>Capital Grants Applied</b>		
At 01 April	126,825	131,969
Grants Applied in the year	-	-
Released to offset depreciation	(3,319)	(5,144)
Extinguished and/or transferred	-	-
At 31 March	123,506	126,825
<b>Total Deferred Grants</b>		
At 31 March	123,506	126,825
At 01 April	126,825	131,969

Capital Grants are accounted for on an accruals basis and grants received have been credited to Deferred Grants Account. Amounts are released from the Deferred Grants Account to offset any provision for depreciation charged to revenue accounts in respect of assets that were originally acquired with the assistance of such grants.

#### **19 Revaluation Reserve**

	2025 £	2024 £
Balance at 01 April	213,748	213,748
Balance at 31 March	213,748	213,748

The revised system of accounting for local councils requires the establishment of a Revaluation Reserve. The balance on this account represents revaluation of fixed assets since 1<sup>st</sup> April 2007, less subsequent depreciation charged to revenue on such revaluation elements. This account will increase or reduce as and when assets are revalued or disposed of.

## AGENDA ITEM 13

### Chichester City Council

#### Notes to the Accounts

31 March 2025

#### **20 Capital Financing Account**

	2025	2024
	£	£
Balance at 01 April	2,999,453	3,026,100
Financing capital expenditure in the year		
Additions - using capital receipts	2,000	-
Additions - using revenue balances	154,018	19,586
Disposal of fixed assets	(24,109)	-
Depreciation eliminated on disposals	15,966	-
Reversal of depreciation	(61,494)	(51,377)
Deferred grants released	3,319	5,144
Balance at 31 March	3,089,153	2,999,453

The Capital Financing Account represents revenue and capital resources applied to finance capital expenditure or for the repayment of external loans. It also includes the reversal of depreciation to ensure it does not impact upon the amount to be met from precept. It does not represent a reserve that the council can use to support future expenditure.

#### **21 Financial Instruments Financing Account**

	2025	2024
	£	£
Balance at 01 April	390,000	390,000
Financing Investment Purchases in the year		
Balance at 31 March	390,000	390,000

The Financial Instruments Financing Account represents revenue and capital resources applied to finance the purchase of Available for Sale Investments , less provisions for losses below the original cost of the applicable investment, and the entries necessary to adjust loans made at less than market rates of interest to a Fair Value as reported in the Balance Sheet. It does not represent a reserve that the council can use to support future expenditure.

#### **22 Usable Capital Receipts Reserve**

	2025	2024
	£	£
Balance at 01 April	21,729	21,729
Capital receipts (asset sales) during the year	2,000	-
Capital used to fund expenditure	(2,000)	-
Balance at 31 March	21,729	21,729

The Usable Capital Receipts Reserve represents capital receipts available to finance capital expenditure in future years.

## Chichester City Council

### Notes to the Accounts

31 March 2025

#### 23 Earmarked Reserves

	Balance at 01/04/2024	Contribution to reserve	Contribution from reserve	Balance at 31/03/2025
	£	£	£	£
Capital Projects Reserves	43,797	10,000	(24,830)	28,967
Asset Renewal Reserves	1,690,949	198,527	(240,067)	1,649,409
Other Earmarked Reserves	404,234	116,423	(93,760)	426,897
Total Earmarked Reserves	2,138,980	324,950	(358,657)	2,105,273

The Capital Projects Reserves are credited with amounts set aside from revenue to part finance specific projects which are part of the council's capital programme.

The Other Earmarked Reserves are credited with amounts set aside from revenue to fund specific known commitments of the council.

The Other Earmarked Reserves at 31 March 2025 are set out in detail at Appendix A.

#### 24 Capital Commitments

The council had no capital commitments at 31 March 2025 not otherwise provided for in these accounts.

#### 25 Contingent Liabilities

The council is not aware of any contingent liabilities at the date of these accounts.

#### 26 Reconciliation of Revenue Cash Flow

	2025	2024
	£	£
Net Operating Surplus for the year	200,157	551,742
Add/(Deduct)		
Interest and Investment Income	(155,075)	(126,127)
Decrease/(Increase) in debtors	19,457	(9,049)
Increase/(Decrease) in creditors	41,000	(23,158)
Revenue activities net cash inflow	105,539	393,408

## Chichester City Council

### Notes to the Accounts

**31 March 2025**

#### **27 Movement in Cash**

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
<b>Balances at 01 April</b>		
Cash with accounting officers	30	30
Cash at bank	2,636,959	2,137,010
	<u>2,636,989</u>	<u>2,137,040</u>
<b>Balances at 31 March</b>		
Cash with accounting officers	30	30
Cash at bank	2,743,555	2,636,959
Bank overdraft	-	-
	<u>2,743,585</u>	<u>2,636,989</u>
<b>Net cash inflow</b>	<u>106,596</u>	<u>499,949</u>

#### **28 Reconciliation of Net Funds/Debt**

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Increase in cash in the year	106,596	499,949
Cash outflow from repayment of debt	-	-
<b>Net cash flow arising from changes in debt</b>	<u>-</u>	<u>-</u>
Movement in net funds in the year	<u>106,596</u>	<u>499,949</u>
Cash at bank and in hand	2,636,989	2,137,040
<b>Net funds at 01 April</b>	<u>2,636,989</u>	<u>2,137,040</u>
Cash at bank and in hand	2,743,585	2,636,989
Total borrowings	-	-
<b>Net funds at 31 March</b>	<u>2,743,585</u>	<u>2,636,989</u>

#### **29 Post Balance Sheet Events**

There are no significant Post Balance Sheet events since the preparation of these accounts, up to the date of their final adoption (on 25th June 2025), which would have a material impact on the amounts and results reported herein.



## Chichester City Council

### Appendices

**31 March 2025**

#### Appendix A

#### Schedule of Other Earmarked Reserves

	<u>Balance at</u> <u>01/04/2024</u>	<u>Contribution</u> <u>to reserve</u>	<u>Contribution</u> <u>from reserve</u>	<u>Balance at</u> <u>31/03/2025</u>
	£	£	£	£
<u>Capital Projects Reserves</u>				
Buttermarket	16,413		(3,970)	12,443
Allotment Improvements	27,384	10,000	(20,860)	16,524
	<u>43,797</u>	<u>10,000</u>	<u>(24,830)</u>	<u>28,967</u>
<u>Asset Replacement Reserves</u>				
CTL 2020/21	126,452		(126,452)	0
CTL 2021/22	215,580		(113,615)	101,965
CTL 2022/23	900,298			900,298
CTL 2023/24	448,619			448,619
CTL 2024/25	0	198,527		198,527
	<u>1,690,949</u>	<u>198,527</u>	<u>(240,067)</u>	<u>1,649,409</u>
<u>Other Earmarked Reserves</u>				
New Homes Bonus	0	59,701		59,701
Allotment deposits	3,650	2,700		6,350
Elections	34,209	12,000		46,209
Council House Maintenance	198,037		(32,154)	165,883
Joint Twinning - Chartres	3,058		(58)	3,000
Joint Twinning - Ravenna	7,832		(4,832)	3,000
Painting Restoration	5,700			5,700
Lift contract	7,200		(5,973)	1,227
Solar Panels	3,000			3,000
International Relations	4,078		(1,078)	3,000
Litten Gardens	3,000			3,000
City Cross Conservation	20,117			20,117
St James Obelisk	2,000	100		2,100
Civic Regalia	13,199		(4,192)	9,007
War Memorial	6,004			6,004
Disused Burial Ground Maintenance	11,070			11,070
Budget Carry Forwards	32,696	11,954	(32,696)	11,954
Benches	10,471			10,471
Bus Shelters	23,722		(9,117)	14,605
Statues & Memorials	0	2,000		2,000
Henty Field	6,531			6,531
Chichester in Bloom	5,000			5,000
s106 Woolstaplers	3,660		(3,660)	0
Hybrid Meetings	0	12,000		12,000
Community Grants	0	10,000		10,000
Joint Twinning Speyer	0	3,000		3,000
Friendship Valetta	0	2,968		2,968
	<u>404,234</u>	<u>116,423</u>	<u>(93,760)</u>	<u>426,897</u>
<b>TOTAL EARMARKED RESERVES</b>	<b><u>2,138,980</u></b>	<b><u>324,950</u></b>	<b><u>(358,657)</u></b>	<b><u>2,105,273</u></b>

# AGENDA ITEM 14

## Earmarked Reserve Balances

<u>Earmarked Reserves</u>	Bal 31st Mar 2024	Net Transfers	Bal 31st Mar 2025	Total
Local Elections	34,209.28	12,000.00	46,209.28	£12,000 is transferred each year from the Rev Acc per annum to assist with the cost of elections. Invoice for May 2023 elections £28,219.50
Painting Restoration (Prof fees)	5,700.00	0.00	5,700.00	To assist with Council House Professional fees
New Homes Bonus		59,701.40	59,701.40	£43k Chi runners and £16,701.40 NHB balances
Brewery Field	6,531.00		6,531.00	To assist with ground works in the future.
Chi in Bloom	5,000.00		5,000.00	To assist with Chi in Bloom projects, such as cost of weight testing and new brackets.
Council House	198,037.38	-32,153.74	165,883.64	To assist with refurbishment works and five year works programme.
Lift Contract	7,200.00	-5,973.00	1,227.00	To assist with lift repairs
Solar Panels	3,000.00		3,000.00	To assist with solar panel repairs
Joint Twinning - Chartres	3,058.07	-58.07	3,000.00	)Transferred to or from revenue account as required. (Anniversaries) Max £3,000
Joint Twinning - Ravenna	7,831.65	-4,831.65	3,000.00	)Transferred to or from revenue account as required. (Anniversaries) Max £3,000
International Relations	4,077.95	-1,077.95	3,000.00	)Transferred to or from revenue account as required. (Anniversaries) Max £3,000
Joint Twinning - Speyer		3,000.00	3,000.00	)Transferred to or from revenue account as required. (Anniversaries) Max £3,000
Joint Twinning - Valetta		2,967.67	2,967.67	)Transferred to or from revenue account as required. (Anniversaries) Max £3,000
City Cross Conservation	20,116.94		20,116.94	£2,000 put into reserves every year as part of a rolling programme.
St James Obelisk	2,000.00	100.00	2,100.00	£100 transferred into reserve each year for future maintenance.
Civic Regalia	13,199.00	-4,191.65	9,007.35	£2,000 put into reserves every year as part of a rolling programme. (Audit completed 2024)
Litten Gardens	3,000.00	0.00	3,000.00	To assist with tree and grounds works.
War Memorial	6,004.00		6,004.00	To assist with restoration works required.
Disused Burial Ground Maintenance	11,069.75		11,069.75	Grounds maintenance and tree works set aside for emergency works.
Benches	10,470.55		10,470.55	From WSCC to maintain street furniture
Allotment Improvements	27,384.12	-10,859.80	16,524.32	Specific reserve set up for Allotment Improvements.
Allotment deposits	3,650.00	2,700.00	6,350.00	To be paid back to tenants
Bus shelter	23,722.66	-9,117.00	14,605.66	Bus shelter Broyle Rd and Bognor Road - money from S106
The Market House	16,413.00	-3,970.00	12,443.00	Set up to cover Buttermarket professional fees or loss of rent.
Statues and Memorials		2,000.00	2,000.00	Set up to assist with repairs to listed memorials
Large Grants		10,000.00	10,000.00	set aside for yr2 and 3 of large grant
Hybrid meetings		12,000.00	12,000.00	set aside to assist with introduction to Hybrid meetings
	411,675.35	32,236.21	443,911.56	

## Cil Receipts

198,526.67

Received 2024-2025

## Earmarked Carry Forwards

11,290.00

Public Realm

664.00

Discretionary grants

**11,954.00**



**CHICHESTER CITY COUNCIL**  
**INTERNAL CONTROL POLICY**  
**FOR THE YEAR ENDING 31<sup>ST</sup> MARCH 2026**

## **1. SCOPE OF RESPONSIBILITY**

**The Accounts and Audit Regulations 2015 states that there has to be an annual review of, and an annual governance statement on, the authority's system of internal control prepared in accordance with proper practices in relation**

**n to the accounts, as defined in section 21 of the Local Government Act 2003.**

Chichester 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.

In discharging this overall responsibility, the Council is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk.

## **2. THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

**Internal control is designed to reduce financial risk to the Council**

The system of internal control is designed to ensure that the council's activities are carried out properly and as intended. Internal controls are set up by the RFO but it falls on the Council members to ensure that they have a degree of control and understanding of those controls. Controls will include the checking of routine financial procedures; the examination of financial comparisons; the recording of assets and liabilities; the identification of risk and to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

## **3. PERSONNEL INVOLVED WITH THE INTERNAL CONTROL ENVIRONMENT**

### **3.1 The Council**

The Council has appointed a Chairman who is responsible for the smooth running of meetings and for ensuring that all Council decisions are lawful. The Chairman signs the last page of the minutes, and initials all other pages.

Decisions made should be within the Standing Orders and Financial Regulations laid down and approved by the Council.

The Council reviews its obligations and objectives and approves budgets for the following year at its December meeting. The December meeting of the Council approves the level of precept for the following financial year.

The Council receives a quarterly financial statement which it approves at its Council meetings. Payments are made in accordance with Standing Orders and Financial Regulations.

**Currently any two nominated councillors namely (Mayor, Deputy Mayor, Chairman and Vice Chairman of Finance Committee and the Chairman of the Community Affairs, Chair of Property sub-committee and Planning & Conservation Committees) must authorise all payments over £1,000. The signatories will ensure that they are satisfied with the payment and are able to check the amount and the payee named on the invoice. Payments under £1,000 can be authorised by the Town Clerk or a nominated Councillor.**

## **3.2 Responsible Financial Officer**

The Council has appointed a Clerk to the Council who acts as the Council's advisor and administrator. The Finance Manager (Deputy Town Clerk) is the Council's Responsible Financial Officer and is responsible for administering the Council's finances. The Finance Manager (Deputy Town Clerk) is responsible for the day-to-day compliance with laws and regulations that the Council is subject to and for managing risks. The Finance Manager (Deputy Town Clerk) also ensures that the Council's procedures, control systems and policies are maintained.

The duties of the RFO are laid down in a Job Description.

The RFO submits all the requested information to the External Auditor by the required date

The RFO arranges for the public notices to be displayed.

The RFO will retain all relevant documents relating the financial year for 7 years (Annual Return, VAT Returns, PAYE/NIC information, Public notices, Fixed Asset register, Risk assessments; accounts and supporting information)

## **3.3 Internal Auditor**

The Council has appointed an Independent Internal Auditor – Mulberry Local Authority Services who will report to the Council on the adequacy of its:

- Records
- procedures
- systems
- internal control
- regulations
- risk management
- reviews

The effectiveness of the internal audit is reviewed annually, and the council agrees to the appointment of the Internal Auditor. The Internal Auditor, who is competent and independent, is advised of the scope of the work required by the Council.

The scope of the work of the IA is reviewed annually and the review and the appointment is minuted.

The IA will inspect the accounts at the year end and will complete page 3 of the Annual Return.

## 3.4 External Audit

The Council's External Auditors, appointed by the Smaller Authorities' Audit Appointments Limited, submit an External Auditor's Certificate once the inspection of the accounts is completed, which is presented to the Council.

## 4. REVIEW OF EFFECTIVENESS

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

Full Council – identification of new activities

The Town Clerk and the Responsible Financial Officer have responsibility for the development and maintenance of the internal control environment and managing risks and risks identified. A Local Council Risk Assessment is produced (copy available) and an Action Plan produced for the year and reported to Finance Committee and Full Council..

Internal Auditor who reviews the Council's system of internal control. The auditor will make a written report to the Council (in addition to page 3 of the Annual Return.) Actions arising from the reports will be considered by the Finance Committee.

The Council's External Auditors, who make the final check using the Annual Return, a form completed and signed by the Responsible Financial Officer, the Chairman and the Internal Auditor. The External Auditor approves the Annual Return.

## 5. SIGNIFICANT INTERNAL CONTROL ISSUES

Any Internal Control issues raised during the year are addressed by the RFO and reported to Finance Committee accordingly.

## 6. EXTERNAL AUDIT OPINION

Any matters raised by the External Auditor are addressed by the RFO and reported to the Finance Committee accordingly.

The last audit raised 2 'Except for' matters;

- 1) The notice of conclusion of audit was shown to be uploaded with a delay.

We were able to provide evidence that it had been uploaded straight away, so we received a further letter accepting our explanation.

- 2) The Notice of Public Rights omitted to include the contact details of the RFO.

Other matters;

Insufficient information with regards to the level of reserves.

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
RFO

25th June 2025



Mrs S Tate  
Chichester City Council  
The Council House  
North Street  
Chichester  
West Sussex  
PO19 1LQ

22 November 2024

Dear Sam

**Re: Chichester City Council**  
**Internal Audit for Financial Year Ended 31 March 2025 – Interim Audit report**

**Executive summary**

Following completion of our interim internal audit on 22 November 2024 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. Some assertions are tested only at the final internal audit, and this is reflected where appropriate in the report.

**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 Chichester City 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 34 years' experience in the financial sector with the last 14 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**

An engagement letter was previously issued to the council covering the 2024/25 internal audit assignment. Copies of this document are available on request.

#### **Planning and inherent risk assessment**

The scope and plan of works including fee structure was issued to the council under separate cover. Copies of this document are available on request. 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.

#### **Table of contents**

	<b>PAGE</b>
<b>A BOOKS OF ACCOUNT</b>	<b>3</b>
<b>B FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS</b>	<b>3</b>
<b>C RISK MANAGEMENT AND INSURANCE</b>	<b>6</b>
<b>D BUDGET, PRECEPT AND RESERVES</b>	<b>7</b>
<b>E INCOME</b>	<b>8</b>
<b>F PETTY CASH</b>	<b>9</b>
<b>G PAYROLL</b>	<b>10</b>
<b>H ASSETS AND INVESTMENTS</b>	<b>10</b>
<b>I BANK AND CASH</b>	<b>11</b>
<b>J YEAR END ACCOUNTS</b>	<b>12</b>
<b>K LIMITED ASSURANCE REVIEW</b>	<b>12</b>
<b>L PUBLICATION OF INFORMATION</b>	<b>12</b>
<b>M EXERCISE OF PUBLIC RIGHTS – INSPECTION OF ACCOUNTS</b>	<b>12</b>
<b>N PUBLICATION REQUIREMENTS</b>	<b>13</b>
<b>O TRUSTEESHIP</b>	<b>13</b>
<b>ACHIEVEMENT OF CONTROL ASSERTIONS</b>	<b>14</b>
<b>AUDIT POINTS CARRIED FORWARD</b>	<b>15</b>

**A. BOOKS OF ACCOUNT****AGENDA ITEM 16****Internal audit requirement**

*Appropriate accounting records have been properly kept throughout the financial year.*

**Audit findings**

This is the first internal audit conducted by Mulberry Local Authority Services Ltd, with the appointment approved by the Finance Committee at the meeting held on 4 September 2024 (minute ref 36).

The audit was conducted on site with the council's Responsible Financial Officer (RFO). The RFO 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 RFO and a review of the council website [www.chichestercity.gov.uk](http://www.chichestercity.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 and widely used in the sector. The accounting package is updated regularly with transactional data and used to produce management information reports for review at council meetings. The council utilises the sales ledger platform within the accounting package to monitor outstanding sums owed.

I reviewed the nominal ledger entries for the period 1 April 2024 to date. I found no evidence of instances of netting off and transactional items were posted with sufficient narrative detail to explain their source and appeared to be placed to the most appropriate nominal code budget headings.

Agendas and minutes for council and committee meetings are logically formatted and make clear reference to council decisions being made, and there is evidence of extensive reporting and provision of supporting information for meetings to enable councillors to make informed decisions.

The council employs an external accountancy company to provide an unaudited financial statement, and this information is published on the council website.

**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 2023/24 was qualified with the External Auditor stating 'Section 16(1) of the Accounts and Audit Regulations 2015 requires the Notice of Conclusion of Audit to be published on the authority's website as soon as reasonably practicable after conclusion of the audit. Upon review of the website, the URL states that the Notice of Conclusion of Audit was not uploaded until 05/2024.

*The published Notice of Public Rights requires the name, position and contact details of the person to contact to exercise public rights, usually the RFO, to be entered at line 2(b) on the form to satisfy the Accounts and Audit Regulations 2015, Paragraph 15(2)(b), suggesting that public rights have not been properly provided. The Council should ensure that this is fully completed in the future. We would expect Assertion 4 to reflect this on 2024/25 AGAR.'*

Under other matters, the External Auditor commented 'Insufficient information initially received with regards to the level of reserves held by the Council. The Parish Council should in future ensure that reserves levels are considered thoroughly, and explanations provided with the AGAR when submitted to the external auditor.'

The External Auditor's Report and Certificate have been published on the council website along with the completed Notice of Conclusion of Audit form.



The conclusion of the audit was reported to the Finance Committee at the meeting held on 6 November 2024 (minute ref 57) along with the explanations provided by the RFO to the External Auditor queries raised during the audit.

There is evidence within the minutes of council meetings of the receipt and review of internal audit reports during the year, with the most recent being reviewed initially by the Finance Committee at the meeting held on 11 June 2024 (minute ref 15(a)) and then at the council meeting held on 26 June 2024 (minute ref 18).

**Confirm by sample testing that councillors sign statutory office forms**

I confirmed by sample testing that councillors sign "Acceptance of Office" forms. The council website includes a councillor page where the individual Register of Members' Interests forms are published.

**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 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 Joint Panel on Accountability and Governance (JPAG) Practitioner's Guide (March 2024) contains updated guidance on the matter as below:

*The importance of using .gov.uk domains for websites and emails*

- 5.210. All Parish, Town and Community Councils are eligible to use, and are advised to use, a .gov.uk domain for their websites and email communications. Your community, suppliers and partners will now reasonably expect a local council to have a .gov.uk domain name. Note that Parish meetings are exempt from the requirement to have a website.*
- 5.211. To assist with compliance with the General Data Protection Regulations (GDPR), it is advised that clerks provide official .gov.uk email accounts to their councillors, which must only be used for official council business.*
- 5.212. When choosing a domain name all councils must follow the rules set out by the Cabinet Office to choose a .gov.uk domain name, for example, 'ourparishcouncil.gov.uk' with email addresses linked to that domain.*
- 5.213. Using a .gov.uk domain for your council website and email accounts gives Parish Councils the following advantages:*
- 5.214. Increased professionalism and trust from members of your community, partners and suppliers because your email address and website domains are a trusted government brand.*
- 5.215. Separation of your personal life from your professional life, ensuring members of your community, partners and suppliers understand what capacity you are emailing them in - whether a Councillor or Clerk.*
- 5.216. Increased control for the Responsible Officer over email accounts and documentation when managing new joiners, leavers, sudden absences or Freedom of Information and Subject Access Requests.*

The council has a Privacy Notice and Accessibility Statement on its website, and it is clear the council has made every effort to comply with the website requirements.

***Confirm that the council meets regularly throughout the year***

In addition to full council, the council has a committee structure in place. Terms of reference for each committee are published on the council website and were most recently reviewed and updated in March 2024.

A diary of future meeting dates is 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.

Non-confidential supporting papers for meetings are included on the council website in accordance with the requirements of the Information Commissioner's Office.

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

**Minutes are routinely uploaded to the council website, although those which are still in draft format are not clearly marked and I recommend including a statement on the appropriate pages of the website stating, 'Minutes are in draft format until approved at the next meeting'.**

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

The Standing Orders are based on the versions of the NALC model and were most recently reviewed and adopted by council on 20 March 2024 (minute ref 106). NALC are currently working on an updated model version and I advise the council to use this once published as a basis for future reviews to ensure all statutory requirements continue to be met.

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

Financial Regulations are based on the new NALC model and were reviewed and adopted by council on 26 June 2024 (minute ref 17) after having been considered by the Finance Committee at their meeting on 11 June 2024 (minute ref 20). 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**      *Individual purchases within an agreed budget for that type of expenditure may be authorised by:*

- *the Clerk, under delegated authority, for any items below £1,000 excluding VAT.*
- *the Clerk, in consultation with the Chair of the Council or Chair of the appropriate committee, for any items below £5,000 excluding VAT.*
- *a duly delegated committee of the council for all items of expenditure within their delegated budgets for items under £25,000 excluding VAT*
- *in respect of grants, a duly authorised committee within any limits set by council and in accordance with any policy statement agreed by the council.*
- *the council for all new items over £15,000 and not within agreed budgets*
- *Finance Committee for existing budgets over £25,000;*

*Such authorisation must be supported by a minute (in the case of council or committee decisions) or other auditable evidence trail.*

- FR 5.17 No expenditure may be authorised that will exceed the budget for that type of expenditure other than by resolution of the council or a duly delegated committee acting within its Terms of Reference except in an emergency.*
- 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 £25,000 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.*
- FR 5.20 An official order or letter shall be issued for all work, goods and services above £1,000 excluding VAT unless a formal contract is to be prepared, or an official order would be inappropriate. Copies of orders shall be retained, along with evidence of receipt of goods. Purchase order spreadsheet.*

**Based on the level of financial activity of the council, and through discussion with the Clerk, these authorisation thresholds appear appropriate although the Clerk threshold is relatively low for a council of this financial size and the council may wish to consider increasing this level at the next review of the Financial Regulations.**

The RFO provided evidence of the purchase order system in place in accordance with FR 5.20.

*Confirm all section 137 expenditure meets the guidelines and does not exceed the annual per elector limit of £10.81 per elector*

The council confirmed it met the criteria for the General Power of Competence (GPC) and re-adopted this at the council meeting in May 2023 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 2024 which showed a refund amount due of £18,227.94 and was fully supported by the required details. I was able to confirm receipt of the refund amount to the council's account on 1 November 2024. 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 Finance Committee, 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 Action Plan, which was most recently reviewed and approved by the Finance Committee at the meeting held on 6 February 2024. The Action Plan has been updated to take into account new and changing risks and is a thorough approach including analysis of all risks typically associated with a council of this size with its range of services and facilities.

I note that the council has an adopted Internal Control Policy, which was reviewed by the Finance Committee at its meeting on 11 June 2024 (minute ref 14) and subsequently approved by council at the meeting held on 26 June 2024 (minute ref 16(c)(iii)).

The Internal Control Policy outlines the scope and purpose of the internal controls, the responsibility of individuals within the council and the roles of the internal and external auditor. The policy includes the requirement to complete an annual review of the effectiveness of the system of internal control in accordance with Financial Regulation 2.4.

I confirmed that the council has a valid insurance policy in place with Zurich Insurance which covers the year under review. The policy includes Public Liability cover of £15 million, Employers Liability cover of £10 million each and a Fidelity Guarantee level of £1 million.

**Year-end reported balances (box 8 of the 2023/24 AGAR) state the total figure held as £2,636,989 and the council is advised to consider increasing the Fidelity Guarantee level to ensure it covers the maximum balance held at any point during the year.**

#### **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 £851,726 for 2024/25. With a tax base of 12,036.4, this equates to a band D equivalent of £70.76 (compared to the average in England of £85.89).

The 2025/26 budget setting process is underway. The minutes of the Finance Committee meeting held on 6 November 2024 show that a draft proposal was presented for consideration. The final budget will be presented to the December 2024 Finance Committee meeting prior to approval being sought at the council meeting on 20 December 2024.

The draft budget is supported by a detailed report from the RFO outlining the rationale for suggested changes to income and expenditure levels and anticipated changes in the level of reserve funds held and potential changes in interest rate returns.

This is a thorough and comprehensive approach, enabling councillors to understand the scrutiny already completed by officers while allowing suggestions for additional items or changes during the review and approval process.

The income and expenditure report dated 1 October 2024 shows income reported at 62.3% of budget and expenditure at 36.9%. Both parts of the precept have been received within the income figures. There is evidence within the minutes of council and committee meetings of regular reviews of budget performance taking place throughout the year.

At the date of the interim audit, the council held circa £2,170,000 in earmarked reserves (excluding the reported Capital Financing, Revaluation and Investment refinancing reserves on the Rialtas report). This figure included circa £1,690,000 from Community Infrastructure Levy (CIL) receipts, which were further split by year of receipt.

The Joint Panel on Accountability and Governance (JPAG) 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.*

I note the External Auditor had suggested the council general reserves were higher than recommended last year, due to the CIL earmarked reserves initially being excluded from the earmarked totals leading to an incorrect assumption by the External Auditor.

The council is advised to ensure any remaining CIL earmarked reserves are included within the earmarked reserves total provided to the External Auditor to avoid a similar assumption this year.

A review of the general reserve balance will be conducted as part of the year-end internal audit, and the council is recommended to follow the JPAG 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 has a range of other income sources, including regular budgeted sums where the council levies fees and charges for services and facilities provided, and other amounts relating to credit interest received, grants received (including for Community Infrastructure Levy receipts) and VAT refunds.

Financial Regulation 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. The RFO shall be responsible for the collection of all amounts due to the council.'*

A review of the agenda for the Finance Committee agenda for the meeting held on 11 December 2023 shows an agenda item regarding the City Council budget for 2024/25. A supporting paper relating to the same agenda item contains a list of council fees and proposed charges for facilities for 2024/25.

**The minutes for the meeting summarise the discussion for the agenda item and conclude with a budget recommendation to be made to the next Full Council meeting, but I could not see specific confirmation of the proposed charges being agreed.**

**A review of the council minutes for 20 December 2023 confirms the budget decision, but again does not directly reference the agreement of the hire fees and charges.**

**I recommend that in future minutes, there is explicit reference to the approval of hire fees and charges to avoid any ambiguity.**

I reviewed a sample of invoices issued for room hires for the Assembly Room and Old Court Room and use of additional facilities such as projectors and screens and was able to confirm charged amounts matching the agreed prices.

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.

I reviewed the sales ledger outstanding balances, which confirm that the council has in place effective credit control systems to limit the risk of any bad debt to the council.

## **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 small petty cash float used for incidental expenditure.

Financial Regulation 10.1 states:

*All cash received must be banked intact. Any payments made in cash by the Clerk or RFO for example for postage or minor stationery items shall be refunded on a regular basis, at least quarterly. **OR** The RFO shall maintain a petty cash float of £30 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.*

At the date of the interim audit, the petty cash record shows a start balance for the year of £30, with a single entry of £15 for the year to date leaving a balance of £15. A copy of the voucher for the expenditure item was available, which was for an alteration to the Mayor's Robe.

There is evidence with older entries in the cash book of the petty cash being balanced and checked independently.

I checked the balance of the petty cash tin and was able to confirm the balance of £15 as indicated on the petty cash records. I have no doubt that the council has in place sufficient controls for the safe management of petty cash.

The council also has provision for the use of payments cards within the adopted Financial Regulations which state:

*FR 9.1 Any Credit Card issued for use will be specifically restricted to the Clerk and the RFO and will also be restricted to a single transaction maximum value of £1,000 unless authorised by council or finance committee in writing before any order is placed.*

*FR 9.2 Any corporate credit card or trade card account opened by the council will be specifically restricted to use by the Clerk and RFO and the Property Maintenance Officer and any balance shall be paid in full each month.*

*FR 9.3 Personal credit or debit cards of members or staff shall not be used except for expenses of up to £250 including VAT, incurred in accordance with council policy.*

I discussed with the RFO the use of payments cards within the council. The council holds two credit cards, one held by the Clerk and one by the RFO and these are the only staff members who use the cards. This is in accordance with the adopted Financial Regulations.

## **G. PAYROLL**

### **Internal audit requirement**

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

### **Audit findings**

Payroll is outsourced to West Sussex County Council who complete all payroll calculations and make salary, HMRC and pension payments on behalf of the council subsequently providing an invoice for the monthly total to the council for payment.

The council has eighteen employees listed on the June 2024 payroll summary. Staff members all have signed contracts of employment based on the NALC template and are paid in accordance with the NJC salary scale, with the NJC back-dated pay rise due to be included in the December 2024 salary payments.

I was provided with the payroll summaries and payslips for May and June 2024 for review at the interim audit and I was able to confirm salary deductions amounts for tax and national insurance and pension contributions appear to be calculated correctly.

I was able to confirm the council is correctly not claiming the employment allowance for national insurance contributions.

There are no councillor allowances other than the Mayor's Allowance.

## **H. ASSETS AND INVESTMENTS**

### **Internal audit requirement**

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

### **Audit findings**

The council has a fixed asset register in place. This includes a summary spreadsheet which was most recently reported to the Finance Committee at the meeting held on 6 November 2024, and more detailed asset lists including information on disposed assets.

The detailed lists (one for items under £100 and one for items over £100) include information on the asset number, item description, manufacturer information, model number, council department and area of use of the asset, location, purchaser details, acquisition date, purchase price, serial number, condition and other supporting notes.

This is a detailed register and is an appropriate method of recording assets for a council of this size, although the RFO confirmed this is currently being reviewed to consolidate the information.

The council's unaudited financial statement, published on the council's website, includes a statement 'Fixed assets are valued on the basis recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) and in accordance with the statements of asset valuation principles and guidance notes issued by the Royal Institution of Chartered Surveyors (RICS).'

The unaudited financial statement goes on to explain the accounting principles used to determine the levels of depreciation applied to different classes of asset for balance sheet purposes.



Guidance contained within the JPAG Practitioner's Guide 2024 includes the following:

*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.*

**I recommend the council adopts a Fixed Asset Policy which clarifies its methodology for the recording and reporting of asset values to ensure consistency.**

The register has been updated with new acquisitions this year, and I confirmed by sample testing of the invoice that items added have been accurately recorded at the original net purchase price.

The council has no borrowing and reported zero figures on boxes 5 (loan interest and capital repayments) and 10 (total borrowings) on the 2023/24 Accounting Statements page of the AGAR.

The council has an adopted Investment Strategy and Policy, based on the statutory guidance on Local Government Investments, which is published on the council website and was most recently reviewed and approved by the Finance Committee at the meeting held on 6 November 2024 (minute ref 55).

The council has no long-term investments.

## **I. BANK AND CASH**

### **Internal audit requirement**

*Periodic and year-end bank account reconciliations were properly carried out.*

### **Audit findings**

Financial Regulation 2.6 states 'At least once in each quarter, and at each financial year end, a member other than the Chair or a cheque signatory shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign and date the reconciliations and the original bank statements (or similar document) as evidence Page 3 of this. This activity, including any exceptions, shall be reported to and noted by the Finance Committee.'

Bank reconciliations are completed monthly. I reviewed the bank reconciliations for July, August and September 2024 and was able to confirm the balances to the bank statements and found no errors. However, **there is no evidence of the bank reconciliation and accompanying bank statements having been verified by a councillor in accordance with the requirements of FR 2.6, although there is evidence within the minutes of council meetings of the bank reconciliations being reported to council.**

**To achieve a positive sign-off for this internal control objective at the year-end internal audit, I will need to see evidence of compliance with FR 2.6 for the period November 2024 to March 2025, including the nominated councillor signing the bank reconciliation and accompanying bank statement for each cashbook.**

Due to the council's budget exceeding the €500,000 it receives no depositor protection from the Financial Services Compensation Scheme (FSCS), and I note reference to this is included in the council's adopted Investment Strategy and Policy.

The council holds accounts with Unity Trust for its main banking and accounts with the Public Sector Deposit Fund and Property Fund with the CCLA.



**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), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.*

**Audit findings**

Testing to be conducted at final internal audit.

**K. LIMITED ASSURANCE REVIEW****Internal audit requirement**

*IF the authority certified itself as exempt from a limited assurance review in 2023/24, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2023/24 AGAR tick "not covered")*

**Audit findings**

The council did not certify itself exempt in 2023/24 due to exceeding the income and expenditure limits and this test does not apply.

**L: PUBLICATION OF INFORMATION****Internal audit requirement**

*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*

**Audit findings**

Testing to be conducted at final internal audit.

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

*The authority has demonstrated that during summer 2024 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.*

**Audit findings**

Inspection – key dates	2023/24 Actual
Date AGAR signed by council	26 June 2024
Date inspection notice issued	27 June 2024
Inspection period begins	28 June 2024
Inspection period ends	8 August 2024
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 2023/24, and assertion 4 on the Annual Governance Statement can therefore be signed off by the council.

**N: PUBLICATION REQUIREMENTS****Internal audit requirement**

*The authority has complied with the publication requirements for 2023/24. Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website / webpage.*

*Before 1 July 2024 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 2023/24, approved and signed, page 4*
- *Section 2 - Accounting Statements 2023/24, approved and signed, page 5*

*Not later than 30 September 2024 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**

Testing to be conducted at final internal audit.

**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 no further testing is required under this internal control objective.

**Achievement of control assertions at interim 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	N/A
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 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	<b>Periodic bank account reconciliations were properly carried out during the year.</b>		✓	
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.	To be tested at final internal audit		
K	If the authority certified itself as exempt from a limited assurance review in 2023/24, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2023/24 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	To be tested at final internal audit		
M	The authority, during the previous year (2023/24) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations <i>(evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).</i>	✓		
N	The authority has complied with the publication requirements for 2023/24 AGAR.	To be tested at final internal audit		
O	Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

Should you have any queries please do not hesitate to contact me.

Yours sincerely



**Andy Beams**  
Mulberry Local Authority Services Ltd

**Interim Audit - Points Carried Forward**

Audit Point	Interim Audit Findings	Council comments
<b>B. FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS</b>	<p>Minutes are routinely uploaded to the council website, although those which are still in draft format are not clearly marked and I recommend including a statement on the appropriate pages of the website stating, <i>'Minutes are in draft format until approved at the next meeting'</i>.</p> <p>Based on the level of financial activity of the council, and through discussion with the Clerk, these authorisation thresholds appear appropriate although the Clerk threshold is relatively low for a council of this financial size and the council may wish to consider increasing this level at the next review of the Financial Regulations.</p>	
<b>C. RISK MANAGEMENT AND INSURANCE</b>	<p>Year-end reported balances (box 8 of the 2023/24 AGAR) state the total figure held as £2,636,989 and the council is advised to consider increasing the Fidelity Guarantee level to ensure it covers the maximum balance held at any point during the year.</p>	
<b>E. INCOME</b>	<p>The minutes for the meeting summarise the discussion for the agenda item and conclude with a budget recommendation to be made to the next Full Council meeting, but I could not see specific confirmation of the proposed charges being agreed.</p> <p>A review of the council minutes for 20 December 2023 confirms the budget decision, but again does not directly reference the agreement of the hire fees and charges.</p> <p>I recommend that in future minutes, there is explicit reference to the approval of hire fees and charges to avoid any ambiguity.</p>	
<b>H. ASSETS AND INVESTMENTS</b>	<p>I recommend the council adopts a Fixed Asset Policy which clarifies its methodology for the recording and reporting of asset values to ensure consistency.</p>	
<b>I. BANK AND CASH</b>	<p>There is no evidence of the bank reconciliation and accompanying bank statements having been verified by a councillor in accordance with the requirements of FR 2.6, although and there is evidence within the minutes of council meetings of the bank reconciliations being reported to council.</p>	

	<p>To achieve a positive sign-off for this internal control objective at the year-end internal audit, I will need to see evidence of compliance with FR 2.6 for the period November 2024 to March 2025, including the nominated councillor signing the bank reconciliation and accompanying bank statement for each cashbook.</p>	
--	---	--



Mrs S Tate  
Chichester City Council  
The Council House  
North Street  
Chichester  
West Sussex  
PO19 1LQ

27 May 2025

Dear Sam

**Re: Chichester City Council**  
**Internal Audit for Financial Year Ended 31 March 2025 – Final Audit report**

**Executive summary**

Following completion of our final internal audit on 27 May 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.**

Some assertions, as noted in this report, were tested at the interim internal audit completed during the financial year and the council should review all internal audit reports for the year before completing the Annual Governance Statement.

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 Chichester City 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 2024/25 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](mailto: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.

**Table of contents**

	<b>PAGE</b>
<b>INTERIM INTERNAL AUDIT RECOMMENDATION</b>	<b>3</b>
<b>A BOOKS OF ACCOUNT</b>	<b>5</b>
<b>B FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS</b>	<b>5</b>
<b>C RISK MANAGEMENT AND INSURANCE</b>	<b>5</b>
<b>D BUDGET, PRECEPT AND RESERVES</b>	<b>6</b>
<b>E INCOME</b>	<b>7</b>
<b>F PETTY CASH</b>	<b>7</b>
<b>G PAYROLL</b>	<b>7</b>
<b>H ASSETS AND INVESTMENTS</b>	<b>8</b>
<b>I BANK AND CASH</b>	<b>8</b>
<b>J YEAR END ACCOUNTS</b>	<b>8</b>
<b>K LIMITED ASSURANCE REVIEW</b>	<b>12</b>
<b>L PUBLICATION OF INFORMATION</b>	<b>12</b>
<b>M EXERCISE OF PUBLIC RIGHTS – INSPECTION OF ACCOUNTS</b>	<b>13</b>
<b>N PUBLICATION REQUIREMENTS</b>	<b>13</b>
<b>O TRUSTEESHIP</b>	<b>14</b>
<b>ACHIEVEMENT OF CONTROL ASSERTIONS</b>	<b>15</b>

**Interim internal audit recommendations**

<b>Audit Point</b>	<b>Interim Audit Findings</b>	<b>Council comments</b>
<b>B. FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS</b>	<p>Minutes are routinely uploaded to the council website, although those which are still in draft format are not clearly marked and I recommend including a statement on the appropriate pages of the website stating, <i>‘Minutes are in draft format until approved at the next meeting’</i>.</p> <p>Based on the level of financial activity of the council, and through discussion with the Clerk, these authorisation thresholds appear appropriate although the Clerk threshold is relatively low for a council of this financial size and the council may wish to consider increasing this level at the next review of the Financial Regulations.</p>	<p>I note at the final audit that the council website now displays a statement <i>‘These minutes are in DRAFT form until approved at the next meeting of the relevant body.’</i></p> <p>To be reviewed at next interim audit.</p>



<b>C. RISK MANAGEMENT AND INSURANCE</b>	Year-end reported balances (box 8 of the 2023/24 AGAR) state the total figure held as £2,636,989 and the council is advised to consider increasing the Fidelity Guarantee level to ensure it covers the maximum balance held at any point during the year.	Year-end balances have increased to £2,743,585 and the Clerk confirmed that the level has been increased to £5 million, which is sufficient for the council.
<b>E. INCOME</b>	<p>The minutes for the meeting summarise the discussion for the agenda item and conclude with a budget recommendation to be made to the next Full Council meeting, but I could not see specific confirmation of the proposed charges being agreed.</p> <p>A review of the council minutes for 20 December 2023 confirms the budget decision but again does not directly reference the agreement of the hire fees and charges.</p> <p>I recommend that in future minutes, there is explicit reference to the approval of any hire fees and charges to avoid any ambiguity.</p>	To be reviewed at next interim audit.
<b>H. ASSETS AND INVESTMENTS</b>	I recommend the council adopts a Fixed Asset Policy which clarifies its methodology for the recording and reporting of asset values to ensure consistency.	To be reviewed at next interim audit.
<b>I. BANK AND CASH</b>	<p>There is no evidence of the bank reconciliation and accompanying bank statements having been verified by a councillor in accordance with the requirements of FR 2.6, although there is evidence within the minutes of council meetings of the bank reconciliations being reported to council.</p> <p>To achieve a positive sign-off for this internal control objective at the year-end internal audit, I will need to see evidence of compliance with FR 2.6 for the period November 2024 to March 2025, including the nominated councillor signing the bank reconciliation and accompanying bank statement for each cashbook.</p>	At the final audit, I was provided with evidence of the Chair of the Finance Committee signing the bank reconciliation, which includes a statement that the balance matches the bank statement. While this is not strictly in accordance with the council's Financial Regulations, I am content that it confirms the process is being properly carried out.

**A. BOOKS OF ACCOUNT****Internal audit requirement**

*Appropriate accounting records have been properly kept throughout the financial year.*

**Audit findings**

Testing conducted at the interim internal audit.

**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**

In their Report and Certificate, the External Auditor initially reported 'Section 16(1) of the Accounts and Audit Regulations 2015 requires the Notice of Conclusion of Audit to be published on the authority's website as soon as reasonably practicable after conclusion of the audit. Upon review of the website, the URL states that the Notice of Conclusion of Audit was not uploaded until 05/2024.'

I note that on 3 February 2025, a subsequent letter of clarification was received from the External Auditor, which states 'the Council have submitted evidence which shows that the Notice of Conclusion of Audit was first published on 26 September 2023 however the Council have been doing some work to the website and therefore some of the documents were moved and reloaded at a later date.'

*Therefore, we accept that the authority did publish the Notice of Conclusion of Audit on the authority's website as soon as reasonably practicable after conclusion of the audit.'*

This letter of clarification has been published on the council website alongside the original External Auditor Report and Certificate for 2023/24.

At the interim internal audit, I noted that minutes are routinely uploaded to the council website, although those which are still in draft format are not clearly marked and I recommended including a statement on the appropriate pages of the website stating, 'Minutes are in draft format until approved at the next meeting'.

I note at the final audit that the council website now displays a statement 'These minutes are in DRAFT form until approved at the next meeting of the relevant body.'

**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**

At the interim internal audit, I noted that the previous year-end reported balances (box 8 of the 2023/24 AGAR) state the total figure held as £2,636,989 and I advised the council to consider increasing the Fidelity Guarantee level to ensure it covers the maximum balance held at any point during the year.

Year-end balances have increased to £2,743,585 and the Clerk confirmed that the level has been increased to £5 million, which is sufficient for the council.

We discussed assertion 8 on the Annual Governance Statement and whether this had any impact on the council.

*“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.”*

The Clerk confirmed that they were not aware of any event having a financial impact that was not included in the accounting statements.

## **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**

Testing conducted at the interim internal audit.

The year-end budget report shows income reported as 115.4% of budget and expenditure at 111.4%, 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.

At the end of the financial year, the council held circa £2,105,000 in earmarked reserves, spread across a range of clearly identifiable projects, including amounts received from Community Infrastructure Levy (CIL) which are identified separately.

The Joint Panel on Accountability and Governance (JPAG) 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.*

The general reserve balance at the end of the financial year is circa £675,000, which is within the recommended range.

## **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**

Testing conducted at the interim internal audit.

## **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**

Testing conducted at the interim internal audit.

## **G. PAYROLL**

### **Internal audit requirement**

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

### **Audit findings**

Testing conducted at the interim internal audit.

I reviewed the total figure being included within box 4 (staff costs) on the Annual Governance and Accountability Return (AGAR) and was able to confirm from the accounting software that this includes only salary payments, HMRC payments and pension contributions.

**H. ASSETS AND INVESTMENTS****Internal audit requirement**

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

**Audit findings**

I confirmed the asset register total matches that included in box 9 (total fixed assets plus long term investments and assets) on the AGAR and was able to trace the changes to the previous year's total against the asset register. The asset register total includes a CCLA LAPF Investment of £490,000.

The council has borrowing through the Public Works Loan Board (PWLb) and I was able to confirm the figures for in year payments (box 5) and year-end balance (box 10) against the PWLB statement and remittance advices.

**I. BANK AND CASH****Internal audit requirement**

*Periodic and year-end bank account reconciliations were properly carried out.*

**Audit findings**

At the interim internal audit, there was no evidence of the bank reconciliation and accompanying bank statements having been verified by a councillor in accordance with the requirements of FR 2.6, although there was evidence within the minutes of council meetings of the bank reconciliations being reported to council.

I reminded the council that to achieve a positive sign-off for this internal control objective at the year-end internal audit, I would need to see evidence of compliance with FR 2.6 for the period November 2024 to March 2025, including the nominated councillor signing the bank reconciliation and accompanying bank statement for each cashbook.

**At the final audit, I was provided with evidence of the Chair of the Finance Committee signing the bank reconciliation, which includes a statement that the balance matches the bank statement. While this is not strictly in accordance with the council's Financial Regulations, I am content that it confirms the process is being properly carried out. I recommend that the council ensures that the bank statements are also signed to comply with its adopted Financial Regulations.**

I reviewed the March 2025 bank reconciliation for all accounts and was able to confirm the balances to the bank statements and found no errors. The total matches the figure included in box 8 of the AGAR.

**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), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.*

**Audit findings**

The council, at its meeting to sign off the year-end accounts, must discuss Section 1 of the AGAR (Annual Governance Statement) and record this activity in the minutes of the meeting.

**COUNCIL IS REMINDED THAT THIS MUST BE A SEPARATE AGENDA ITEM PRIOR TO THE SIGNING OF SECTION 2 OF THE AGAR (ACCOUNTING STATEMENT).**

**Section 1 – Annual Governance Statement**

Based on the internal audit findings, I recommend using the table below as the basis for that discussion.

	<b>Annual Governance Statement</b>	<i>‘Yes’, means that this authority</i>	<b>Suggested response based on evidence</b>
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>	<b>YES</b> – accounts follow latest Accounts and Audit Regulations and practitioners guide recommendations.
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>	<b>YES</b> – there is regular reporting of financial transactions and accounting summaries, offering the opportunity for scrutiny.
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>	<b>YES</b> – the Clerk advises the council in respect of its legal powers.
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>	<b>NO – the requirements and timescales for 2023/24 year-end were not followed (see External Auditor’s Report)</b>
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>	<b>YES</b> – the council has a risk management scheme and appropriate external insurance.
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>	<b>YES</b> – the council has appointed an independent and competent internal auditor.

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>	<b>YES</b> – matters raised in internal and external audit reports have been addressed.
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>	<b>YES</b> – no matters were raised during the internal audit visits.
9	Trust funds including charitable – In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/asset(s), including financial reporting and, if required, independent examination or audit.	<i>has met all its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.</i>	<b>N/A</b> – the council has no trusts

**Section 2 – Accounting Statements**

AGAR box number		2023/24	2024/25	Internal Auditor notes
1	Balances brought forward	2,103,143	2,635,297	Agrees to 2023/24 carry forward (box 7)
2	Precept or rates and levies	767,615	851,726	Figure confirmed to central precept record
3	Total other receipts	758,330	587,241	Agrees to underlying accounting records
4	Staff costs	466,662	585,103	Agrees to underlying accounting records. Includes only expenditure allowed as staff costs (see section G)
5	Loan interest/capital repayments	0	0	Council has no borrowing
6	All other payments	527,129	807,726	Agrees to underlying accounting records
7	Balances carried forward	2,635,297	2,681,435	Casts correctly and agrees to balance sheet
8	Total value of cash and short- term investments	2,636,989	2,743,585	Agrees to bank reconciliation for all accounts
9	Total fixed assets plus long- term investments and assets	4,601,355	4,733,264	Matches asset register total and changes from previous year have been traced
10	Total borrowings	0	0	Council has no borrowing
11a	Disclosure note re Trust Funds (including charitable)	No	No	No – the council is not a sole trustee
11b	Disclosure note re Trust Funds (including charitable)	N/A	N/A	N/A – the council is not a sole trustee

**Audit findings**

The year-end accounts have been correctly prepared on an income and expenditure basis with the box 7 and 8 reconciliation completed.

This shows total year-end debtors of £21,173 and total year-end creditors of £83,323, with a full breakdown of the individual debtors and creditors provided.

The AGAR correctly casts and cross casts and last year's comparatives match the figures submitted for 2023/24 and published on the council website.

The variance analysis has been completed and, in my opinion, provides sufficient financial and narrative information to explain the variances to the External Auditor.



**K. LIMITED ASSURANCE REVIEW****Internal audit requirement**

*IF the authority certified itself as exempt from a limited assurance review in 2023/24, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2023/24 AGAR tick "not covered")*

**Audit findings**

The council did not certify itself exempt in 2023/24 due to exceeding the income and expenditure limits and this test does not apply.

**L: PUBLICATION OF INFORMATION****Internal audit requirement**

*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*

**Audit findings**

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.

I was able to confirm that pages 4 (Annual Governance Statement), 5 (Accounting Statements) and 6 (External Auditor's Report and Certificate) of the AGARs are available for review on the council website for financial years 2019/20 to 2023/24 inclusive.

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

*The authority has demonstrated that during summer 2024 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.*

**Audit findings**

Inspection – key dates	2023/24 Actual	2024/25 Proposed
Date AGAR signed by council	26 June 2024	25 June 2025
Date inspection notice issued	27 June 2024	26 June 2025
Inspection period begins	28 June 2024	27 June 2025
Inspection period ends	8 August 2024	7 August 2025
Correct length (30 working days)	Yes	Yes
Common period included (first 10 working days of July)	Yes	Yes

The External Auditor noted in their report ‘The published Notice of Public Rights requires the name, position and contact details of the person to contact to exercise public rights, usually the RFO, to be entered at line 2(b) on the form to satisfy the Accounts and Audit Regulations 2015, Paragraph 15(2)(b), suggesting that public rights have not been properly provided. The Council should ensure that this is fully completed in the future. We would expect Assertion 4 to reflect this on 2024/25 AGAR.’

**Consequently, I recommend the council answers ‘No’ to assertion 4 on the Annual Governance Statement as while the dates meet the statutory requirements, the Notice of Public Rights was not correctly completed.**

I was able to confirm that the proposed dates for 2024/25 meet the statutory requirements.

**N: PUBLICATION REQUIREMENTS****Internal audit requirement**

*The authority has complied with the publication requirements for 2023/24. Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website / webpage.*

*Before 1 July 2024 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 2023/24, approved and signed, page 4
- Section 2 - Accounting Statements 2023/24, approved and signed, page 5

*Not later than 30 September 2024 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 2024.

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 2024.

The council has therefore met the publication requirements for 2023/24 have been met.

**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 under this internal control objective is not applicable.

**Achievement of control assertions at final internal audit date**

Based on the tests conducted during the interim and final audits, 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 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 the previous year, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review in the previous year 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	<b>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 (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).</b>		✓	
N	The authority has complied with the publication requirements for previous year's 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](mailto:andy@mulberrylas.co.uk) or 07428 647069.

Yours sincerely



**Andy Beams**

**Director, Mulberry Local Authority Services Ltd**



## CHICHESTER CITY COUNCIL

ENTER PUBLICLY [www.chichestercity.gov.uk](http://www.chichestercity.gov.uk) PAGE ADDRESS

During the financial year ended 31 March 2025, 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 2024/25 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 2023/24, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2023/24 AGAR tick "not covered")			✓
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 (during the 2024-25 AGAR period, were public rights in relation to the 2023-24 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).		✓	
N. The authority has complied with the publication requirements for 2023/24 AGAR (see AGAR Page 1 Guidance Notes).	✓		
O. (For local councils only) 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

22/11/2024

27/05/2025

DD/MM/YYYY

Name of person who carried out the internal audit

A Beams, Mulberry LAS Ltd AL AUDITOR

Signature of person who carried out the internal audit

SIGNED

Date

27/05/2025

\*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).



Dear Clerk/RFO

As part of a range of services we offer to town and parish councils, Mulberry Local Authority Services (LAS) Ltd provide an internal audit service which is conducted in accordance with current guidelines and accounting practices as set out in the Smaller Authorities Proper Practices Panel (formerly JPAG) Practitioner's Guide.

Generally, we conduct two audits a year as a minimum. The first (interim audit) concentrates on the governance and accountability functions of the council and deals with procedural aspects of the audit (Financial Regulations, Standing Orders, risk assessments, internal control systems, processes, policies, etc.). The second (final audit) focuses on the financial aspects and the checking of the Annual Governance and Accountability Return (AGAR) and supporting information being submitted to the external auditors.

Our councils have found this approach beneficial, as it provides an opportunity to address any weaknesses identified at the interim audit before completion of the Annual Internal Audit Report at the final audit. We are always happy to consider a different frequency of visits to suit your council's needs, and are happy to answer any questions that may arise during the year.

Mulberry LAS (previously as part of Mulberry & Co) have been conducting internal audits for local councils for over 20 years. Our team of auditors have extensive sector specific knowledge and experience and can rotate between councils to ensure complete independence is maintained throughout your engagement period with us.

In the 2024/25 financial year, we will complete circa 270 internal audits ranging from small councils exempt from a limited assurance review to larger Town and Parish Councils with multi-million pound turnovers and complex financial arrangements, with a combination of on-site and remote audits taking place to suit the council's circumstances.

We base our charges on an hourly rate and for the financial year commencing on 1 April 2025 this is £75 per hour + VAT (£85 + VAT for councils with a precept exceeding £1 million). Travel costs for on-site visits are charged at the standard HMRC rate of 45p per mile. We do not charge for travel time.

The length of time for the audit(s) will depend on the scale and complexity of your council's financial operations, and once appointed, your assigned internal auditor will be happy to discuss this with you in more detail. We offer engagement periods of either one or three years. If you choose to appoint us for three years, we guarantee the hourly rate will not increase for the duration of that engagement period.

Becoming an internal audit client of Mulberry LAS also provides you with access to a discounted rate on our comprehensive training programme for officers and councillors, with further information and details of our upcoming courses available via [www.mulberrylas.co.uk/training-programme](http://www.mulberrylas.co.uk/training-programme)

If you have any further questions, please do not hesitate to contact me.

Andy  
Andy Beams  
Director, Mulberry Local Authority Services Ltd



## Section 1 – Annual Governance Statement 2024/25

## AGENDA ITEM 18

We acknowledge as the members of:

CHICHESTER CITY COUNCIL

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 2025, 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.			prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.			made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
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.			has only done what it has the legal power to do and has complied with Proper Practices in doing so.
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.			during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
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.			considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.			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.
7. We took appropriate action on all matters raised in reports from internal and external audit.			responded to matters brought to its attention by internal and external audit.
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.			disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
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
			has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.

\*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 Chair and Clerk of the meeting where approval was given:

Chair

SIGNATURE REQUIRED

Clerk

SIGNATURE REQUIRED

WWW.CHICHESTERCITY.GOV.UK ADDRESS



## CHICHESTER CITY COUNCIL

	Year ending		Notes and guidance
	31 March 2024 £	31 March 2025 £	
1. Balances brought forward	2,103,143	2,635,297	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. Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	767,615	851,726	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	758,330	589,241	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	(466,662)	(585,103)	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	(527,129)	(809,726)	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	2,635,297	2,681,435	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	2,636,989	2,743,585	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	4,160,135	4,733,264	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

For Local Councils Only	Yes	No	N/A	
11a. Disclosure note re Trust funds (including charitable)		✓		The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.
11b. Disclosure note re Trust funds (including charitable)			N/A	The figures in the accounting statements above exclude any Trust transactions.

I certify that for the year ended 31 March 2025 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

12/06/2025

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 Chair of the meeting where the Accounting Statements were approved

SIGNATURE REQUIRED

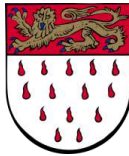
Contract number	Date purchased	Description	Cost £	Price per unit *	Number of units
85436	28/02/2017	CCLA Local Authorities Property Fund	390,000	306.76p	127,135
36513	30/11/2017	CCLA Local Authorities Property Fund	100,000	315.83p	31,663
					158,798

**\*as at November 2024 the mid market value of one unit in the fund 276.5 pence. The bid market value of one unit in the fund was 272.73 pence                      £439,076 (mid)**

**\*as at January 2025 the mid market value of one unit in the fund 280.18 pence. The bid market value of one unit in the fund was 275.8 pence                      £444,929 (mid)**

**\*as at March 2025 the mid market value of one unit in the fund 282.35 pence. The bid market value of one unit in the fund was 277.98 pence                      £448,373 (mid)**

as at 31 March 2025	mid value	2.823542	£448,372.82
	bid value	2.779777	£441,423.03
			£41,627.18



### Chichester City Council

## Subsistence allowances

(based on Chichester District Council subsistence allowances agreed April 2025)

**Please note that in order to claim the following allowances, appropriate and valid receipts must be submitted with all claims. Where a receipt is less than the stated allowance, then the amount of expenditure only will be reimbursed.**

#### Subsistence

<b>Breakfast</b> (Absence less than 24 hours, leaving home before 7a.m.)	Payable at the discretion of the Town Clerk/Deputy Town Clerk/RFO and normally where work/travel has started before 7.00 a.m.	£10.55
<b>Lunch</b>	For necessary absence of several hours spanning the normal lunch period leaving the office before 11.00 a.m. and returning after 3.00 p.m.	£14.47
<b>Tea*</b> (Unable to arrive home before 6.30 p.m.)	If unable to return to administrative centre (or home if nearer) by 6.30 p.m.	£5.75
<b>Evening Meal*</b> (Unable to arrive home before 8.30 p.m.)	If unable to return to administrative centre (or home if nearer) by 8.30 p.m.	£17.49
<b>Out of Pocket Allowance</b>	£8.18 per night, £32.38 per week.	

**\*If an overnight stay is necessary and not included in the course fee, normally only bed breakfast and overnight meal are reimbursed. You will however be able to claim up to £27.15 for an evening meal.**

**Please note that Tea and Evening Meal cannot be claimed on the same day.**

#### Travel

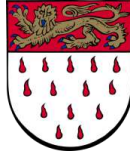
Travel to seminars/conferences/ training courses	Cost of standard class rail fare. (Car may be used in exceptional circumstances. In this case EITHER the cost of the standard rail fare OR the appropriate mileage cost may be claimed - whichever is lower. Mileage can only be claimed over and above normal travel distance from home to the Council House.)
Car travel	65p per mile - accurate mileage readings MUST be provided
Car parking	At cost
Bus travel	At cost
Bicycle travel	20p/mile

**NOTE:** Subsistence and mileage allowances are not paid in respect of absence on calls or at depots or other establishments within or immediately near the vicinity of the town in which the administrative centre is located. As a broad guide to the mileage factor involved take a three mile radius from the centre of the town concerned.

#### Accommodation

Overnight stays should be discussed in advance with the Town Clerk/Deputy Town Clerk and/or the Responsible Financial Officer

*Rates to increase annually based on CPI rate*



# AGENDA ITEM 23

## Chichester City Council

### Report for Finance to Change Cleaning Contractors

**Prepared by:** Andrew Watson (PMM)

**Date:** 09/06/2025

---

#### **Review of Current Cleaners:**

The current cleaning contractors have been in place since 2022. Their level of service has been in decline in standards over the past 18 months; despite various emails, photographs and meetings with the owner. The contract renewed in April 2025 with a "Break Clause" at 6 months with 3-month notice.

Based on the facts below we wish to invoke the break clause by the last day of June 2025, meaning they will no longer be in place at the end of September 2025.

We are in a fixed contract till end of September 2025.

Key issues that have made us come to this decision, include:

- **Brassworks:** Incomplete cleaning; brass polish applied but not buffed
- **Cobwebs:** Not removed in several areas
- **Limescale:** Persistent on taps
- **Floors:** Casually mopped; stains not removed; no safety signs
- **Kitchens:** Not cleaned thoroughly
- **Dusting:** Inadequate
- **Radiators:** Not cleaned
- **Trip Hazards:** Hoover leads left without warning signs
- **Room Names:** Lack of understanding
- **Schedule Adjustments:** Failure to change cleaning program for public room use
- **Staff:** Inconsistency and not flexible to change rota
- **Cleaning agents:** General domestic and not necessarily used for the right purpose

**Current Fee:** £615.25 per month, totalling £7,383.00 annually (excluding VAT).

---

#### **Finding a Replacement Cleaning Contractor:**

We have been concerned that the fees we have been paying for some time do not allow the hours required to keep on top of a building of this size and nature.

We approached five cleaning contractors in the Chichester area with the same detailed specification, requirements and considerations.

Three companies declined leaving two to quote. Each attended site and walked around the building with our requirement whereupon they made notes and comments to the existing cleanliness of the building.

## AGENDA ITEM 23

### Quotations Provided:

Cleaning Contractor	Quotation 1	Total per Annum	Quotation 2	Total per Annum
Contractor A	£1,330.00	£17,290.00	£1,045.00	£13,585.00
Contractor B	*£25.00 p/hr	-	-	-
Contractor C	Declined	-	-	-
Contractor D	Declined	-	-	-
Contractor E	Declined	-	-	-

\*Unable to quantify a fixed price contract

Simply Clean (Chichester) Ltd adjusted their quotation following a second site visit and interview (Highlighted).

---

### Recommendation:

We understand that there is a considerable increase in fees by £6,202 per annum, however we propose "Contractor A".

Unlike other companies the owner has demonstrated a thorough understanding of the building and our needs. They have assured that significant improvements with increased hours on site and will be using only environmentally friendly products.

The proposed contract is a month-to-month rolling contract with a 3-month notice period.



# AGENDA ITEM 24

Chichester City Council

## PERFORMANCE STAGING REPORT to FINANCE COMMITTEE

from

**JAMES BRIGDEN, PROJECT MANAGER**

**Date: 05/06/2025**

### REPLACE THE PERFORMANCE STAGING IN THE ASSEMBLY ROOM

#### **Background:**

Current staging for both the Assembly Room and Remembrance Sunday is at end of life. The proposal is to replace this staging with model lightweight staging that has more versatility and may also have the potential to hire out as a revenue generator.

The new staging could be used for a variety of our own events such as the Gala (Current hire cost of similar stage: £231/day) and Remembrance Sunday.

Following the Business Plan Sub-Committee's agreement this project is to be approached in 2 phases.

- Phase 1 – Replace the staging in the Assembly Room.
- Phase 2 – Explore the market for stage hire and develop a scheme and payment schedule to accommodate the demand

This report recommends spend for Phase 1 of the project to replace the current staging within the Assembly Room.

#### **Requirement:**

The current staging is 3m x 6m and 80cm high with an additional 'D' shaped section that fits in the curved alcove at the back of the Assembly Room. It is proposed that the 3m x 6m section is replaced with a product that allows easy dismantling and installation whilst enabling a more adaptable stage. It will be finished to a high quality to maintain the image of the Assembly Room with skirting to surround the base.

#### **Procurement**

2 suppliers have been scoped and quotes obtained. The products are varied in design and style and further assessment will be carried out to gauge the ease of installation, storage limitations and suitability to task.

Option 1: Replace like-for-like with similar staging system quoted at £7,100.

Option 2: Replace stage with a more versatile system that dismantles to smaller, easy to manoeuvre sections quoted at £10,000.

#### **Recommendation:**

To approve a budget of up to £10,000 out of the allocated staging CIL budget for the purchase of new staging for the Assembly Room and delegate spend to officers following consultation with the Facilities Team.

Date: 08/04/2025

Chichester City Council

Page 1

Time: 16:26

User: KM

Bank Reconciliation Statement as at 31/03/2025  
for Cashbook 2 - Unity Trust Current Account

AGENDA ITEM 25a

<u>Bank Statement Account Name (s)</u>	<u>Statement Date</u>	<u>Page No</u>	<u>Balances</u>
Current account-Unity	31/03/2025	141	41,634.59
			41,634.59
<u>Unpresented Payments (Minus)</u>		<u>Amount</u>	
		0.00	
			0.00
			41,634.59
<u>Unpresented Receipts (Plus)</u>			
		0.00	
			0.00
			41,634.59
		<b>Balance per Cash Book is :-</b>	<b>41,634.59</b>
		<b>Difference is :-</b>	<b>0.00</b>

## Signatory 1:

Name KIM MARTIN Signed [Signature] Date 8th April 2025

## Signatory 2:

Name MICHELLE CARTER Signed [Signature] Date 08/04/25

## Chair of Finance:

Name RHC MIALI Signed [Signature] Date 22/5/25



Date: 03/04/2025

Chichester City Council

Page 1

Time: 16:14

User: MC

Bank Reconciliation Statement as at 31/03/2025  
for Cashbook 1 - Imprest Account

AGENDA ITEM 25a

<u>Bank Statement Account Name (s)</u>	<u>Statement Date</u>	<u>Page No</u>	<u>Balances</u>
Imprest Account-Unity	31/03/2025	119	9,379.26
			9,379.26
<u>Unpresented Payments (Minus)</u>		<u>Amount</u>	
		0.00	
			0.00
			9,379.26
<u>Unpresented Receipts (Plus)</u>			
		0.00	
			0.00
			9,379.26
		<b>Balance per Cash Book is :-</b>	<b>9,379.26</b>
		<b>Difference is :-</b>	<b>0.00</b>

Signatory 1:

Name

MICHELLE CARTER

Signed



Date

03/04/25

Signatory 2:

Name

AM MARTIN

Signed



Date

07/04/25

Chair of Finance:

Name

RHC NIAW

Signed



Date

22/5/25



## List of Payments made between 01/03/2025 and 31/03/2025

<u>Date Paid</u>	<u>Payee Name</u>	<u>Reference</u>	<u>Amount Paid</u>	<u>Authorized Ref</u>	<u>Transaction Detail</u>
03/03/2025	Cerberus Networks Limited	DD02	58.80		B/Band for C/Hse -Feb25
05/03/2025	O2 - Telephonica UK Ltd	DD03	103.20		Staff Mobile Phones - Feb 2025
07/03/2025	Chichester District Council	DD04	129.80		Refuse & Recycle - to 21.02.25
13/03/2025	Covers Trade Centre Branch	BACS19	43.38		Grass seed 10kg
13/03/2025	Nick Cook	BACS20	155.00		Gala Circus W/shop 28.06.25
13/03/2025	Screwfix	BACS22	450.49		CCTV in operation signs x 5
14/03/2025	West Sussex County Council	BACS01	50,093.88		Salaries for Feb 2025
14/03/2025	Griffin Nurseries	BACS02	1,230.00		20 x Fruit Trees -Com Orchards
14/03/2025	Vodafone Ltd	DD05	37.26		B/Band & Phone for St J -Feb25
18/03/2025	Drax	DD06	802.32		Elec - City Cross - Feb 25
19/03/2025	Square	TRANS	5.40		Square Fees
20/03/2025	Imprest Account	TRANS	10,000.00		Transfer
21/03/2025	Newstart loft Ltd	BACS21	300.00		Deposit food- Sea S 11.04.25
21/03/2025	Goodrowes of Chichester Ltd	BACS23	4.30		Caustic Soda Cellar drain
21/03/2025	Pestforce	BACS24	240.00		3 x visits - Rats Litten Gds
21/03/2025	The Dean & Chapter Of Chichester	BACS25	28.80		Tour re Jnr Mayor day 01.04.25
21/03/2025	Covers Trade Centre Branch	BACS26	129.35		Materials re drain-C/Hse Cella
21/03/2025	Recycle Southern Ltd	BACS27	333.36		Waste Allotments - 03.03.25
21/03/2025	Vodafone Ltd	BACS28	19.32		B/Band CCTV Lit Gds - Mar25
21/03/2025	Sussex Rural Community Council	BACS29	36.00		Village Hall Conf 15.03.25
21/03/2025	The Nat. Society of Allotment	BACS30	120.00		Membership fees for 25/26
21/03/2025	Visual Hygiene Cleaning Serv	BACS31	80.00		Window Cleaning C/Hse 07.03.25
21/03/2025	Starline Sussex Ltd	BACS32	16.92		Taxis x 2 re Mayoral attend
21/03/2025	Office World Ltd	BACS33	221.57		Toilet rolls x 72 Public WCs
21/03/2025	Mayors Charity Account	BACS34	20.00		Ticket Inc S/Shant 11.04.25
21/03/2025	Saunders Specialised Services	BACS03	2,575.20		Fan & Controls for OCR Kitchen
21/03/2025	Aspect Electrical Contractors	BACS04	4,998.00		Elec works fan W WC C/Hse
21/03/2025	Barclaycard	DD	1,177.39		Barclaycard March 2025
27/03/2025	Sussex Assoc for Spina Bifida	BACS05	1,000.00		Discretionary Grant - Mar25
31/03/2025	Unity Trust Bank	TRANSFER	13.95		Bank Service Charges - Feb 25
31/03/2025	Unity Trust Bank	TRANSFER	2.20		Bank manual handling charges
31/03/2025	Renault Finance	DD01	30.00		Ann Lease for Battery-Elec Van
<b>Total Payments</b>			<b>74,455.89</b>		

## List of Payments made between 01/03/2025 and 31/03/2025

<u>Date Paid</u>	<u>Payee Name</u>	<u>Reference</u>	<u>Amount Paid</u>	<u>Authorized Ref</u>	<u>Transaction Detail</u>
13/03/2025	Katie Coffey	BACS03	6.00		Biscuits for CIO Consultation
13/03/2025	HAMPSHIRE LIFT SERVICES	BACS04	150.00		Call out - Lift fault 25/02
13/03/2025	Recycle Southern Ltd	BACS05	385.20		Allotment waste - Feb25
13/03/2025	Luna Clean	BACS06	680.46		Cleaning C/Hse - Feb 2025
13/03/2025	Andrew Watson	BACS07	18.22		Postage & fuses for plugs
13/03/2025	South Downs Water Co Ltd	BACS08	21.60		Water Cooler Rental to17.06.25
13/03/2025	DCK ACCOUNTING SOLUTIONS	BACS09	738.00		Chart of A/Cs restructure
13/03/2025	Saunders Specialised Services	BACS10	552.00		Relocate heating sensor C/Hse
13/03/2025	Chichester Festival Theatre	BACS11	30.00		Backstage Tour 1.4.25-JnrMayor
13/03/2025	Arundel Arboretum Ltd	BACS12	73.00		Tree for Jnr Mayor day 1.04.25
13/03/2025	The Woodhorn Group Ltd	BACS13	41.93		Green waste Allots- Feb25
13/03/2025	Mr G Bowen	BACS14	8.50		Blu Tack x 2 + Tea bags
13/03/2025	Tiziana Schwarz	BACS15	33.80		Refund - Paymt for St J Assoc
13/03/2025	Paul Roman	BACS16	50.00		Allot Deposit Refund St J
13/03/2025	Amazon	BACS17	206.14		Fire safety signs x 12
13/03/2025	Jewson - Stark Building Materi	BACS18	40.33		Plaster & Plasterboard C/Hse
14/03/2025	Goodrowes of Chichester Ltd	BACS01	440.40		Tree ties+Posts+Fence Com Orch
14/03/2025	Toolstation Ltd	BACS02	83.52		Builders buckets x 4 - P/Team
26/03/2025	Unity Trust Current Account	Correcton	2,198.49		Pments from Imp not current AC
27/03/2025	Microshade Business Consultant	BACS35	967.68		Hosting Citrix to 30.9.25
27/03/2025	Eurosafe Solutions Ltd	BACS36	360.00		Retest Roof safety bars @ C/Hs
27/03/2025	South Downs Water Co Ltd	BACS37	21.60		3 x 19L Water bottles - C/Hse
27/03/2025	Jane Walker Event Floristry	BACS38	30.00		Registrars Wed flowers 20.3.25
27/03/2025	Kestrel Guards	BACS39	42.00		Alarm Call out 19.02.25
27/03/2025	Chichester Chamber Concerts	BACS40	500.00		Discretionary Grant - 03.03.25
31/03/2025	Unity trust Bank	TRANS	15.15		Bank Service Charges - Feb25
<b>Total Payments</b>			<u>7,694.02</u>		

## AGENDA ITEM 25c

### PAYMENTS MADE BY BARCLAYCARD ANALYSIS OF STATEMENTS FOR MARCH 2025

Date	Supplier	Detail	Net £	VAT £	Total £			
14/02/2025	Zoom	zoom	38.97	7.79	46.76	4038	101	1
14/02/2025	Broadband buyer	The Cross	166.65	33.33	199.98	4038	101	2
14/02/2025	SMARTY	The Cross	16.67	3.33	20.00	4038	101	3
16/02/2025	Microsoft	software	24.70	4.94	<b>29.64</b>	4038	101	4
22/01/2025	Amazon	Storage boxes	19.50	3.90	23.40	4250	501	5
23/01/2025	Amazon	Storage boxes	89.17	17.83	107.00	4250	501	6
24/01/2025	Amazon	Storage boxes	40.33	8.07	48.40	4250	501	7
26/01/2025	Microsoft	software	7.40	1.48	<b>8.88</b>	4038	101	8
27/01/2025	Amazon	Fire Warden equip	137.43	27.49	164.92	4245	501	9
29/01/2025	ME-QR.com	software project manager	80.81	16.16	96.97	4038	101	10
30/01/2025	Adobe		65.49		65.49	4038	101	11
02/02/2025	Houston global	stationery plastic sleeves	66.57	13.31	79.88	4023	101	12
03/02/2025	UBER	<b>Fraudulent transaction</b>	10.37	2.07	12.44	4020	101	13
04/02/2025	Microsoft	software	16.40	3.28	19.68	4038	101	14
04/02/2025	UBER	<b>Fraudulent transaction</b>	24.92	4.98	29.90	4020	101	15
05/02/2025	Microsoft	software	7.70	1.54	9.24	4038	101	16
11/03/2025	Van Orton	Bird scarer	53.21	10.64	63.85	4250	501	17
11/03/2025	UBER	<b>Fraudulent transaction</b>	11.94	2.39	14.33	4020	101	18
12/03/2025	UBER	<b>Fraudulent transaction</b>	13.00	2.60	15.60	4020	101	19
13/03/2025	Van Orton	Bird scarer	61.54	12.31	73.85	4250	501	20
13/03/2025	UBER	<b>Fraudulent transaction</b>	13.00	2.60	15.60	4020	101	21
13/03/2025	UBER	<b>Fraudulent transaction</b>	13.00	2.60	15.60	4020	101	22
<b>Total for February 2025</b>			<b>978.76</b>	<b>182.65</b>	<b>1,161.41</b>			
03/03/2025	Mango Display	Software for TV	4.91		4.91	4038	101	23
03/02/2025	Mango	Software for TV	11.07		11.07	4038	101	24
			<b>15.98</b>	<b>0.00</b>	<b>15.98</b>			
			<b>994.74</b>	<b>182.65</b>	<b>1,177.39</b>			