

# Annual Internal Audit Report 2024/25

Sevenoaks Town Council

WWW.SEVENOAKSTOWN.GOV.UK 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H. Asset and investments registers were complete and accurate and properly maintained.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I. Periodic bank account reconciliations were properly carried out during the year.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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")	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
N. The authority has complied with the publication requirements for 2023/24 AGAR (see AGAR Page 1 Guidance Notes).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O. (For local councils only)	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

Name of person who carried out the internal audit

24/09/2024 13/01/2025 06/03/2025 19/05/2025 BECKY TUFFIELD

Signature of person who carried out the internal audit

mm REQUIRED

Date

19/05/2025

\*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).

## Section 1 – Annual Governance Statement 2024/25

We acknowledge as the members of:

Sevenoaks Town 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	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
			✓

**\*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:

09/06/2025

and recorded as minute reference:

134.2 (1)

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

Chair

Chris E. Shea

Clerk

L. Lott

www.sevenoakstown.gov.uk



## Section 2 – Accounting Statements 2024/25 for

Sevenoaks Town Council

	Year ending		Notes and guidance
	31 March 2024 £	31 March 2025 £	
1. Balances brought forward	1,571,819	1,656,321	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	1,370,074	1,437,614	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	850,344	931,098	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	1,043,498	1,188,510	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	71,602	71,602	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	1,020,816	1,326,273	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	1,656,321	1,438,648	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	1,705,027	1,447,325	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – <b>To agree with bank reconciliation.</b>
9. Total fixed assets plus long term investments and assets	10,815,508	10,848,610	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	1,196,989	1,149,327	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)			✓	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

*C. Anderson* **SIGNED**

Date

03/06/2025

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

09/06/2025

as recorded in minute reference:

134.2 (2)

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

*Ann 68* **SIGNED**



## Section 3 – External Auditor’s Report and Certificate 2024/25

In respect of

Sevenoaks Town Council

### 1 Respective responsibilities of the auditor and the authority

Our responsibility as auditors to complete a **limited assurance review** is set out by the National Audit Office (NAO). A limited assurance review is **not a full statutory audit**, it does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and hence it **does not** provide the same level of assurance that such an audit would. The UK Government has determined that a lower level of assurance than that provided by a full statutory audit is appropriate for those local public bodies with the lowest levels of spending.

Under a limited assurance review, the auditor is responsible for reviewing Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with NAO Auditor Guidance Note 02 (AGN 02 as issued by the NAO on behalf of the Comptroller and Auditor General. AGN 02 is available from the NAO website – <https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/> .

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

- summarises the accounting records for the year ended 31 March 2025; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

### 2 External auditor’s limited assurance opinion 2024/25

(Except for the matters reported below)\* on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met. (\*delete as appropriate).

(continue on a separate sheet if required)

Other matters not affecting our opinion which we draw to the attention of the authority:

(continue on a separate sheet if required)

### 3 External auditor certificate 2024/25

We certify/do not certify\* that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2025.

\*We do not certify completion because:

External Auditor Name

ENTER NAME OF EXTERNAL AUDITOR

External Auditor Signature

SIGNATURE REQUIRED

Date

DD/MM/YYYY



**Sevenoaks Town Council**

**Bank Reconciliation**

**Financial year ending 31 March 2025**

**Prepared by**

Georgina Jackson (RFO)

**Date**

29/04/2025

Balance per bank statements as at 31 March 2025	£	£
Natwest Current accounts(Liquidity Account)	150,661.63	
Natwest payroll account	1,000.00	
Natwest Investment (Direct Reserve)	14,946.39	
Virginmoney current account	1.00	
Virginmoney 90 day notice	7,523.73	
HSBC Deposit Bond	52,637.36	
Handelsbanken Deposit account	169.69	
Handelsbanken Notice account	1,689.01	
Nationwide Instant Saver	2,834.53	
Mayors Charity Account	7,305.63	
House in the Basement Youth Café	1,000.00	
Sevenoaks Town Partnership	10,448.60	
Nationwide Sevenoaks Funds	20.92	
Insignis Platform Ear Marked Fees	506.73	
Santander (90 Day Notice)	376,040.96	
HSBC Tracker (31 Day Notice)	259,590.27	
CCLA	<u>560,000.00</u>	
		1,446,376
Petty Cash float		949
Add: any un-banked cash at 31 March 2025		-
Net balances as at 31 March 2025 (Box 8)		<u><u>1,447,325</u></u>





## Statement of Variances - Year ended 31 March 2025

Instructions for completing this template:

1. Enter figures per the AGAR in the cells highlighted in light blue. This will automatically calculate a percentage change between years.
2. If the variance is within 15% and £100k YOY, no explanation is required. However, if it is outside these thresholds, the percentage difference will highlight in yellow and an explanation is required.
3. Explanations should be entered in each section, quantified to show the figures for each year. This will automatically calculate the remaining difference and the percentage unexplained.
4. Once a sufficient explanation has been given to bring the percentage within 15% and/or £100k between years, the percentage difference cell will highlight as 'green' in the 'adjusted' line.

**Please note that for fixed assets, regardless of the percentage change in the figure, an explanation is required for the movement.**

Item	2023-24	2024-25	Difference	%	Additional comments / explanations
<b>Box 2: Precept or Rates and levies</b>	1,370,074.00	1,437,614.00	67,540.00	4.9%	
			-		
			-		
			-		
			-		
<b>Box 2: Precept or Rates and levies (adjusted)</b>			67,540.00	4.9%	No further explanation needed
<b>Box 3: Total other receipts</b>	850,344.00	931,098.00	80,754.00	9.5%	
			-		
			-		
			-		
			-		
<b>Box 3: Total other receipts (adjusted)</b>			80,754.00	9.5%	No further explanation needed
<b>Box 4: Staff costs</b>	1,043,498.00	1,188,510.00	145,012.00	13.9%	This was in an EMR allocated towards the RFO full time salary as this was not accounted for in the budget
			12,000.00		Allocated from an EMR for a BID Administrator for 6 months - one off project.
			11,000.00		New position of Community Engagement Manager
			32,000.00		
<b>Box 4: Staff costs (adjusted)</b>			90,012.00	8.6%	No further explanation needed
<b>Box 5: Loan interest/capital repayments</b>	71,602.00	71,602.00	-	0.0%	
			-		
			-		
			-		
			-		
<b>Box 5: Loan interest/capital repayments (adjusted)</b>			-	0.0%	No further explanation needed
<b>Box 6: Other payments</b>	1,020,816.00	1,326,273.00	305,457.00	29.9%	Additional project 20 mph project paid for via CIL Monies
			115,440.00		Additional project - Purchase of Longspring Woods
			186,362.00		



**Instructions:**

Please complete the coloured boxes with figures per the AGAR and figures for earmarked reserves.

The 'Explanation Required?' box will indicate whether an explanation is required to explain reserves exceeding the tolerable threshold set by Forvis Mazars (1.15 x the higher of precept and total payments).

If explanations are required, please document these in the rows below (*insert more rows where required*).

Once a sufficient amount of explanations has been provided, this will be shown with a 'Yes' in the 'Explanations sufficient?' line.

Box 2	Precept	<div style="border: 1px solid black; padding: 2px;">1,437,614</div> x 1.15 = 1,653,256
-------	---------	--

Box 4	Staff costs	<div style="border: 1px solid black; padding: 2px;">1,188,510</div>
-------	-------------	---

Box 5	Loan interest / capital repayments	<div style="border: 1px solid black; padding: 2px;">71,602</div>
-------	------------------------------------	--

Box 6	Other payments	<div style="border: 1px solid black; padding: 2px;">1,326,273</div>
-------	----------------	---

		<b>2,586,385</b> x 1.15 = 2,974,343
--	--	-------------------------------------

**Max level of reserves**

**2,974,343**

Box 7	Balances carried forward	<div style="border: 1px solid black; padding: 2px;">1,438,648</div>
-------	--------------------------	---

Explanation required?

**No**

Explanation(s) for earmarked reserves: **NB: NOT 'general' funds/reserves**

Temp Staff Reserve	<div style="border: 1px solid black; padding: 2px;">4,000</div>
Youth Council Reserve	<div style="border: 1px solid black; padding: 2px;">1,875</div>
Council Offices Reserve	<div style="border: 1px solid black; padding: 2px;">1,548</div>
Pension Reserve	<div style="border: 1px solid black; padding: 2px;">2,814</div>
Rolling Capital Programme Reserve	<div style="border: 1px solid black; padding: 2px;">47,053</div>
Street Lighting Reserve	<div style="border: 1px solid black; padding: 2px;">10,723</div>
Stag Winding Up Reserves	<div style="border: 1px solid black; padding: 2px;">12,000</div>
Planning Fees Reserve	<div style="border: 1px solid black; padding: 2px;">2,500</div>
Youth Activities Reserve	<div style="border: 1px solid black; padding: 2px;">1,269</div>
Non Annual Commitments Reserve	<div style="border: 1px solid black; padding: 2px;">11,035</div>
Staff Training Reserve	<div style="border: 1px solid black; padding: 2px;">2,890</div>
20 mph Reserve	<div style="border: 1px solid black; padding: 2px;">21,489</div>
Energy Saving - TC Offices	<div style="border: 1px solid black; padding: 2px;">6,780</div>
Capital Receipts Quaker Hall	<div style="border: 1px solid black; padding: 2px;">59,245</div>
Capital Receipts Reserve	<div style="border: 1px solid black; padding: 2px;">395,409</div>
Vehicle/ Machinery Replacement	<div style="border: 1px solid black; padding: 2px;">51,616</div>
B&B Centre Maintenance Reserve	<div style="border: 1px solid black; padding: 2px;">10,578</div>
CIL Ear Marked Reserve	<div style="border: 1px solid black; padding: 2px;">171,239</div>
No 8 Bus Reserve	<div style="border: 1px solid black; padding: 2px;">78,808</div>
Mayor's Charity Reserve	<div style="border: 1px solid black; padding: 2px;">7,303</div>
Mayor's Regalia Reserve	<div style="border: 1px solid black; padding: 2px;">5,458</div>
	<div style="border: 2px solid black; padding: 2px;"><b>905,633</b></div>

Reserves not earmarked	533,015
------------------------	---------

Explanations sufficient?

**Yes**

ing the

on

# Sevenoaks Town Council

## Supporting Reserves Reconciliation for ANNUAL RETURN 31 March 2025

Explains the difference between boxes 7 & 8 on the Annual Return

<u>Code</u>	<u>Description</u>	<u>Last Year £</u>	<u>This Year £</u>	
	<b>Total Reserves</b>	<b>1,656,320.81</b>	<b>1,438,647.88</b>	Box 7
101	Debtors	47,924.29	32,579.17	
104	SCC Bookings Debtors	23,551.09	36,201.28	
105	Vat Control	15,109.23	35,259.10	
107	Allotment Ledger	0.00	199.05	
110	Prepayments	23,965.06	26,096.33	
120	Stock	5,953.21	3,318.55	
	<b>Less Total Debtors</b>	<b>116,502.88</b>	<b>133,653.48</b>	
500	Creditors	33,535.28	35,882.38	
505	Miscellaneous Creditors	12,444.33	0.00	
510	Accruals	53,928.65	33,620.67	
516	Superannuation Due	4,546.10	0.00	
560	Receipts in Advance	38,532.96	52,469.63	
565	Receipt in Advance-Cemetery	11,353.06	3,904.19	
566	Damage Deposit	4,103.67	7,922.67	
567	Key Deposit	408.26	484.64	
573	QH Allotment Key deposits	5,690.00	6,320.00	
574	BV Allotment key deposits	666.50	726.50	
	<b>Plus Total Creditors</b>	<b>165,208.81</b>	<b>141,330.68</b>	
	<b>Equals Total Cash and Bank Accounts</b>	<b>1,705,026.74</b>	<b>1,446,325.08</b>	
201	Nat West - Current Account	114,916.52	150,661.63	
205	Payroll Account	1,000.00	1,000.00	
207	Mayors Charity Account	22,586.67	7,305.63	
208	House i/t Basement Youth Cafe	1,000.00	1,000.00	
209	Sevenoaks Town Partnership	9,948.60	10,448.60	
210	Petty Cash	925.40	948.63	
211	Handelsbanken Investment	66,508.80	169.69	
213	Handelsbanken Notice Account	269,801.67	1,689.01	
214	Nationwide Instant Saver	2,834.53	2,834.53	
215	Natwest Investment	56,451.00	14,946.39	
225	Virgin Money Current Account	1.00	1.00	
226	HSBC Investment	51,598.29	52,637.36	
227	Nationwide Sevenoaks Fund	10,418.57	20.92	
228	CCLA Public Sector Deposit	575,000.00	560,000.00	
229	Virgin Money 90 day Notice	522,035.69	7,523.73	
230	Insignis Earmarked Fees	0.00	506.73	
232	Santander (90 day Notice)	0.00	376,040.96	
233	HSBC Tracker (31 days Notice)	0.00	259,590.27	
	<b>Total Cash and Bank Accounts</b>	<b>1,705,026.74</b>	<b>1,447,325.08</b>	Box 8



