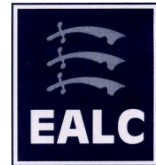


ESSEX ASSOCIATION OF LOCAL COUNCILS

COUNTY UPDATE

Special Finance Edition

No. 189



Report to the EALC Member Councils

Finance 2018/2019

Financial Administration Information

Prepared by Charlene Slade – Executive Responsible Finance Officer & Buildings Manager

Treasurer's Report 2019

Cllr David McPherson-Davis

Accounts Year Ending 31st March 2019

Maurice Howard - Auditor

Responsible Finance Officer Report 2019

Charlene Slade - Executive Responsible Finance Officer & Buildings Manager

EALC Chief Executive Report 2019

Joy Darby - Chief Executive Officer

Support and Thanks

The Essex Association of Local Councils (EALC) wishes to thank Essex County Council for the continued support and financial commitment to enable services to be delivered to the Parish Sector in Essex.

Published by :
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42B High Street
Great Dunmow
Essex CM6 1AH

This update is available free to all members of the Essex Association of Local Councils.

ADMINISTRATIVE INFORMATION

Chairman	Cllr Peter Davey	
Treasurer	Cllr David McPherson-Davis	
CEO	Joy Darby BA Hons FILCM	
Responsible Finance Officer/ RFO & Buildings Manager	Charlene Slade AATQB	
Office Address	42B High Street, Great Dunmow Essex, CM6 1AH	
Auditor	Maurice Howard, FCPFA	
Bankers	Barclays Bank Plc High Street, Chelmsford Essex, CM1 1BG	Unity Trust Bank Plc Nine Brindley Place Birmingham, B1 2HB

RISK REVIEW

The EALC have reviewed the major risks to which it is exposed and systems have been identified to mitigate those risks. External risks regarding investments have controls in place to minimise the exposure of the Association. Internal risks are minimised by the implementation of financial control and regulation procedures. These procedures are regularly reviewed to ensure that they still meet the needs of the Association. The insurance policy of the Association is reviewed annually, as per the Financial Regulations. The EALC has reviewed its Financial Regulations and adopted a new set as of July 2018.

AUDITORS

Maurice Howard has indicated his willingness to continue in office and will be proposed for reappointment at the Annual General Meeting 2019. Audit to the Association's accounts and systems are carried out at year-end together with a mid year interim audit.

PENSIONS

The EALC participates in a defined benefit scheme operated by Essex County Council. The contributions are determined by Essex County Council. Although the fund is a defined benefit scheme, EALC are grouped together with other similar employers, it is not possible to separately identify its share of the underlying assets and liabilities and it is therefore accounted for as a defined contribution scheme. The EALC contribute monthly to the employees pension scheme as set by Essex County Council's Pension Office. Currently EALC is fully funded. During 2014 the EALC adopted a Pension Policy Statement in line with legal requirements.



COUNTY UPDATE

Special Finance Edition

David McPherson-Davis Treasurer

Treasurers Financial Report for 2018/9

Notes to the Accounts –page 3

The Audited Annual Accounts of the Association for the year 2018/9, with previous year comparisons, are shown on pages 4 and 5.

The Statement of Reserves and the Funds held at the 31st March 2019 are itemised on page 6. These fell significantly as a result of deficit trading.

The Notes to the Accounts on page 7 together with the comprehensive report by the Executive Responsible Finance Officer & Building Manager on page 11 provide more detail regarding the performance of the Association. These are also shown with comparison pie charts.

The audited Annual Accounts for EA(2013) Ltd, and notes to the Accounts are shown on page 8, 9 and 10 and are also mentioned by the Executive Responsible Finance Officer in her Report.

The Report by the independent Auditor to the Association is shown on page 6 and also on page 10 for EA(2013) Ltd in which he confirms that the Accounts comply with the EALC financial regulations.

Looking ahead we have recently taken on additional work relating to the administration of Essex County Council Grants which they are funding.

We must however consider how to avoid a further fall in our Reserves. Inflation relating to most of our expenditure will not go away and in particular pay awards which nationally are now in excess of 3%. This will not only affect the EALC but all our members. Hopefully our Trading performance will improve but even so I believe that an increase in members subscriptions of 3% would be helpful.

14/08/2019

Essex Association of Local Councils
Statement of Income & Expenditure as at 31 March 2019

Note No.	31/03/2019	31/03/2018
1	80,483.68	83,796.64
	1,685.54	3,693.42
2	1,776.34	854.00
	83,945.56	88,344.06
Subscriptions		
	124,138.86	120,974.22
	-45,922.16	-44,621.58
	78,216.70	76,352.64
Grants Received		
3	40,000.00	40,000.00
4	24,946.50	13,050.00
		8,013.09
	3,105.00	2,500.00
5	500.00	500.00
6	971.78	581.40
	69,523.28	64,644.49
TOTAL INCOME	£231,685.54	£229,341.19
Employee Costs	172,936.51	155,337.31
7 Tutors	19,041.98	19,578.09
Services Provided Costs	6,005.31	7,987.84
Premises	16,477.55	16,461.33
Office	12,582.67	12,370.82
Subscriptions	2,704.27	2,756.05
Committee & Governance costs	11,144.92	10,501.73
Donations	408.00	110.00
	241,301.21	225,103.17
TOTAL EXPENDITURE	£241,301.21	£225,103.17
<u>SURPLUS / DEFICIT</u>	-£9,615.67	£4,238.02
<u>Appropriations Account</u>		
Accumulated Funds opening balance	62,155.95	57,917.93
Surplus/deficit for year	-9,615.67	4,238.02
	52,540.28	62,155.95
TRF From Repairs & Renewals Reserves	5,000.00	
<u>Accumulated Funds closing balance</u>	£57,540.28	£62,155.95

Essex Association of Local Councils
Statement of Financial Position at 31 March 2019

Note No.	31/03/2019	-	31/03/2018
<u>Non Current Assets</u>			
	Accounted for in inventory asset register	0.00	0.00
<u>Current Assets</u>			
	Stock	4,757.04	3,960.02
	Debtors	650.82	2,398.58
1	Payments in Advance	5,952.80	5,665.22
	1 x Bonds	90,000.00	90,000.00
	Deposit Account (saver)	5,997.42	5,983.25
	2 x Current Accounts	44,472.91	59,818.13
	Cash	156.24	128.25
2	Vat on vatable sales	567.67	
		<u>152,554.90</u>	<u>167,953.45</u>
TOTAL ASSETS		£152,554.90	£167,953.45
<u>Reserves</u>			
	Accumulated Funds	67,155.95	57,917.93
	Surplus/Deficit	<u>-9,615.67</u>	<u>4,238.02</u>
		57,540.28	62,155.95
3	Legal Costs Reserve	2,484.00	2,484.00
4	Repairs & Renewals Reserve	5,500.00	10,500.00
5	Restructuring Reserve	52,032.00	52,032.00
		60,016.00	65,016.00
<u>Non EALC reserves</u>			
6	Clerks Bursary Reserve	15,481.45	20,941.45
	Potential New Councils	2,493.37	2,920.43
	Maldon Bursary Reserve	13.00	13.00
		<u>17,987.82</u>	<u>23,874.88</u>
		135,544.10	151,046.83
<u>Current Liabilities</u>			
	Creditors	4,641.16	2,910.58
	Credit Card	227.91	350.66
7	Receipts in advance	11,896.50	13,050.00
	Accruals	245.23	595.38
		<u>17,010.80</u>	<u>16,906.62</u>
TOTAL LIABILITIES		£152,554.90	£167,953.45

Essex Association of Local Councils
Annual Accounts for the Year Ended 31st March 2019
Statement of Reserves and Funds Held.

	Accumulated Funds	Restructuring Reserve	Repairs & Renewals Reserve	Clerks Bursary Reserve	Maldon Bursary Reserve	Legal Costs Reserve	Potential New Councils	Balance
	£	£	£	£	£	£	£	£
Opening Balance	62,155.95	52,032.00	10,500.00	20,941.45	13.00	2,484.00	2,920.43	151,046.83
Funds Received	0.00							0.00
Surplus/Deficit	-9,615.67							-9,615.67
Transferred	5000.00							5,000.00
Grant								0.00
Funds Spent				-13,460.00	0.00	0.00	-427.06	-13,887.06
Clerks Bursary				8,000.00				8,000.00
Transferred			-5,000.00					-5,000.00
Maldon Bursary								0.00
Closing Balance	£57,540.28	£52,032.00	£5,500.00	£15,481.45	£13.00	£2,484.00	£2,493.37	135,544.10

REPORT OF THE INDEPENDENT AUDITOR APPOINTED AT THE AGM

I have audited the financial statements of the Essex Association of Local Councils for the year ended 31 March 2019.

The audit work has been undertaken so that I might state to the Association's members those matters I am required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Association and its members, for my audit work, for this report, or for the opinions I have formed.

Respective responsibilities of the EALC and auditors

The Executive Finance Officer and Treasurer of the EALC are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit and express an opinion on the financial statements in accordance with good practice.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

Opinion on financial statements

In my opinion the financial statements:

Give a true and fair view of the state of the Associations affairs as at 31 March 2019 and of its deficit for the year then ended. They have been prepared in accordance with the EALC Financial Regulations dated May 2018.

Maurice Howard
FCPFA

24th June 2019 AUDITED

Essex Association of Local Councils
Notes to accompany the EALC 2018/19 Year End Accounts

**Note
No.**

Notes to Statement of Income and Expenditure

- 1 Income from courses include Saturday courses, CiLCA & bespoke courses
- 2 Other income from AGM sponsorship
- 3 ECC Core Grant
- 4 ECC Grant CIF Fund
- 5 ECC Grant for shared AGM event
- 6 Bank interest received
- 7 Tutors includes staff tutoring costs total of £5154

Notes to Statement of Financial Position

- 1 Prepayments for Vine HR Xerox, Rent
- 2 VAT to be reclaimed
- 3 Legal Cost Reserve provision of re - negotiation of rent in due course
- 4 £5000 transferred from Repairs and Renewals for Large safe/shredder/alarm system shown in the appropriations account.
- 5 Restructuring Reserve provision in the event that EALC should cease to trade
- 6 Clerks Bursary funds provided by ECC to assist with member council's training costs
- 7 Receipts in advance for CIF Fund £11896.50 recieved for October to March

NOTE

Funds were received from ECC for Local Service Fund awards that were paid out to the awarding organisations therefore this does not show on the income in the annual accounts.

EA (2013) Ltd

Statement of Income & Expenditure as at 31 March 2019

Note	<u>31/03/2019</u>	<u>31/03/2018</u>
No. Income		
Bal b/fwd	64.00	100.00
EALC contribution to rent	5,500.00	5,250.00
ECC contribution to rent	21,000.00	21,000.00
1 EALC re-imburement (for bank charges)	108.00	36.00
	<u>26,672.00</u>	<u>26,386.00</u>
TOTAL NET INCOME	<u>£26,672.00</u>	<u>£26,386.00</u>
Expenditure		
Rent	26,500.00	26,250.00
Bank Charges (service charge)	72.00	72.00
Balance carried fwd	100.00	64.00
TOTAL EXPENDITURE	<u>26,672.00</u>	<u>26,386.00</u>
	<u>£26,672.00</u>	<u>£26,386.00</u>
<u>SURPLUS / DEFICIT</u>	<u>£0.00</u>	<u>£0.00</u>

EA (2013) Ltd
Statement of Financial Position at 31 March 2019

Note No.	<u>31/03/2019</u>	-	<u>31/03/2018</u>
<u>Non Current Assets</u>			
Set up costs	0.00		0.00
<u>Current Assets</u>			
Debtors	0.00		36.00
Payments in Advance	6,625.00		6,625.00
Bank Account	100.00		64.00
	<hr/>		<hr/>
	6,725.00		6,725.00
<u>TOTAL ASSETS</u>	£6,725.00		£6,725.00
<u>Current Liabilities</u>			
Creditors	0.00		0.00
1 Receipts in Advance	6,625.00		6,625.00
	<hr/>		<hr/>
	6,625.00		6,625.00
<u>TOTAL LIABILITIES</u>	6,625.00		6,625.00
	<hr/>		<hr/>
	100.00		100.00
<u>SHAREHOLDERS FUNDS</u>			
Balance brought forward	100.00		100.00
	<hr/>		<hr/>
	£100.00		£100.00

EA (2013) Ltd

Notes to accompany the EA (2013) Ltd Year End Accounts

**Note
No.**

Notes to Statement of Income and Expenditure

- 1 Bank Charges for re-imburement £36 from 2017/2018

Notes to Statement of Financial Position

- 1 Receipts in advance - comprising
ECC rent grant of £5355.77
EALC contribution to rent in advance of £1269.23
Total sum of £6625

**NOT
E** **Opinion of financial statements**

In my opinion the financial statements:

Gives a true and fair view of the Company's affairs as at 31st March 2019

Maurice Howard
FCPFA 24th June 2019

Charlene Slade AATQB
Executive RFO & Buildings Manager

I was delighted to receive a promotion earlier this year, as part of the restructure of the EALC. I am honoured to accept my new title as Executive Responsible Finance Officer and Buildings Manager, albeit a lengthy one.

For EALC 2019 has seen a year of elections, changes to Grant funding from Essex County Council with the new CIF fund and Micro Grants which will run for two years. We have introduced new Training courses under the Mental Health and Wellbeing programme with 'Provide'. The EALC remains ever diverse in a changing and developing sector and continues to excel in supporting our members of the Association. The Affiliation Subscriptions for this year have maintained a level of 99% membership.

I have been working closely with Peter Davey, the Chairman to assist with the processing of financial reports for the Micro Grant applications of which we have had 97 applications to date, 54 have been successful and approved. Comprehensive reports will be prepared for the CIF Applications to be presented to the panel members in September. We are proud to have a continued working partnership with Essex County Council enabling the EALC to administer this funding.

We are grateful to Essex County Council for its continued support through their grants for our premises and training as they are fundamental to the training programme we offer to our members.

During the course of the year there have been a number of essential improvements made to the office by way of an upgrade to the alarm system for the building, which is now monitored remotely 24/7 ensuring the safety of the building and its staff. We had a safe installed which now complies with GDPR regulations and purchased a large shredder. The IT systems were brought up to date with the necessary anti-virus software, cloud back up technology and dual screens. These were essential improvements needed for the security of the premises and data protection.

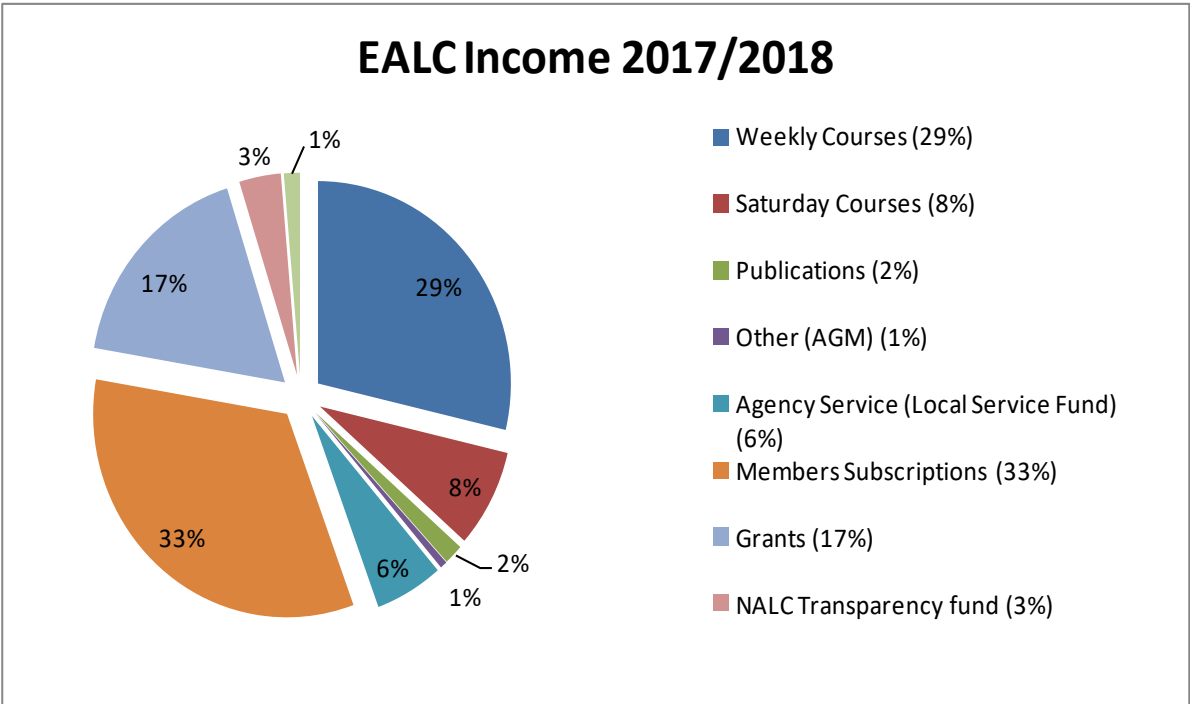
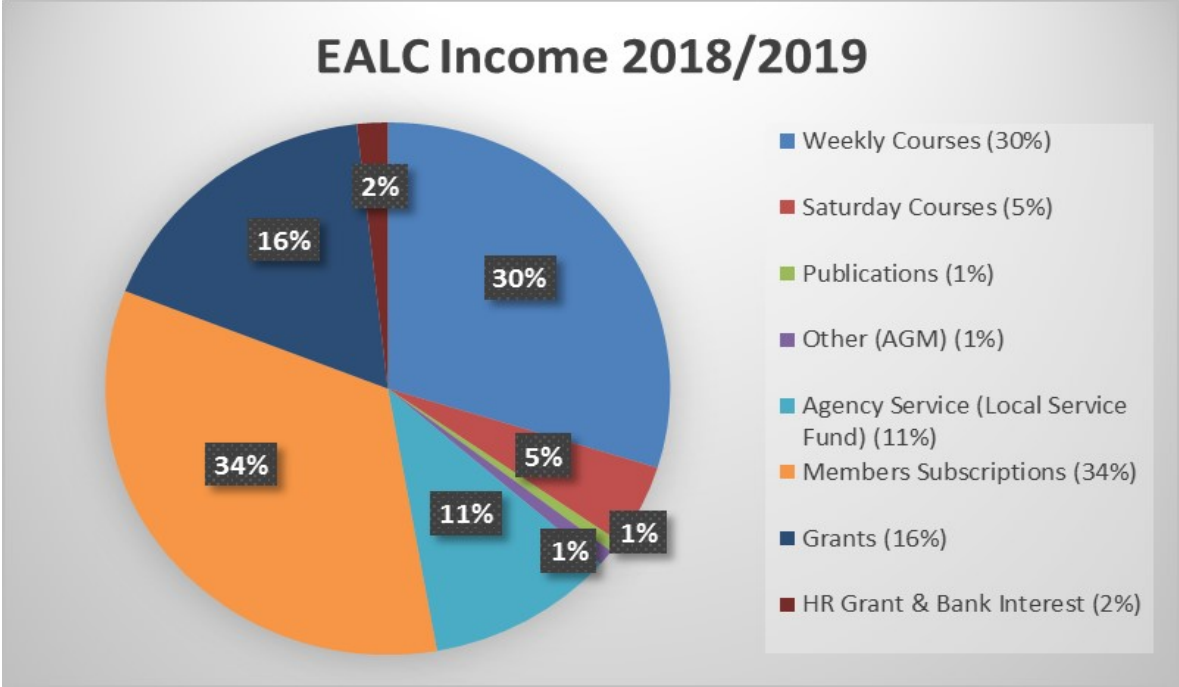
I therefore present to you the Annual Accounts and statement of reserves for the year ending 31st March 2019.

Essex Association of Local Councils ended the year with a deficit of £9,615.67 The accumulated fund closing balance is £57,540.28. The statement of reserves gives a clear report of the funds held.

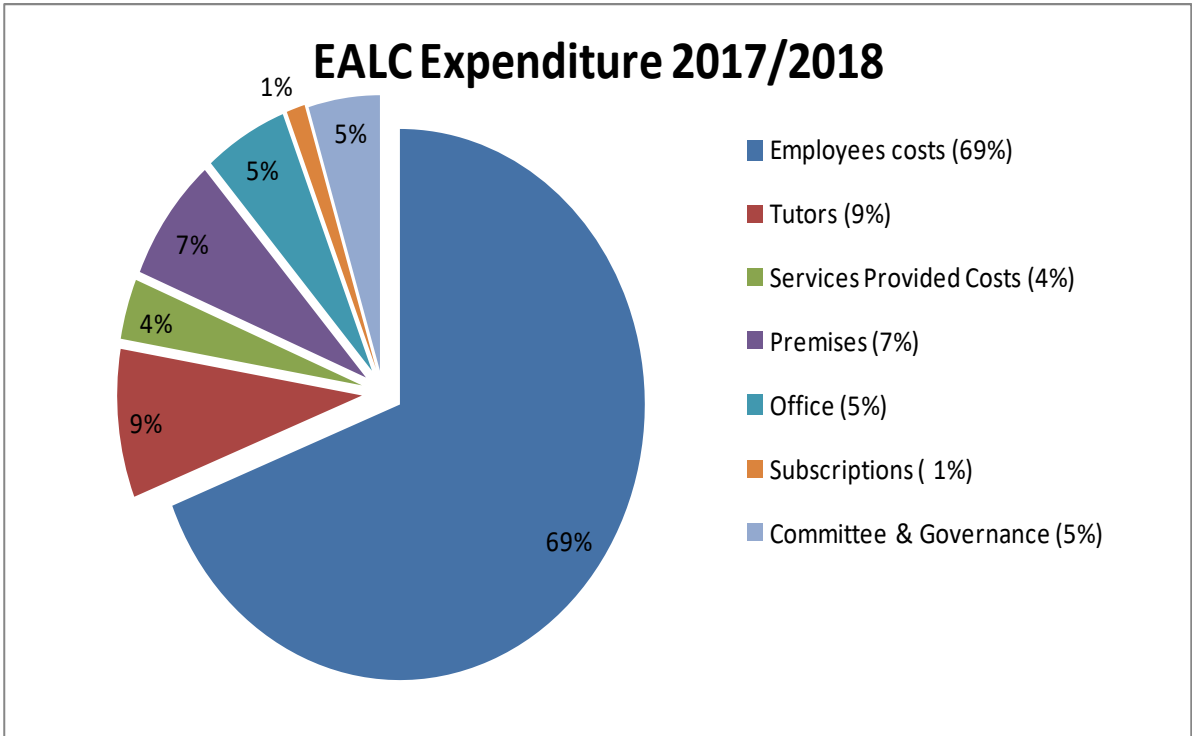
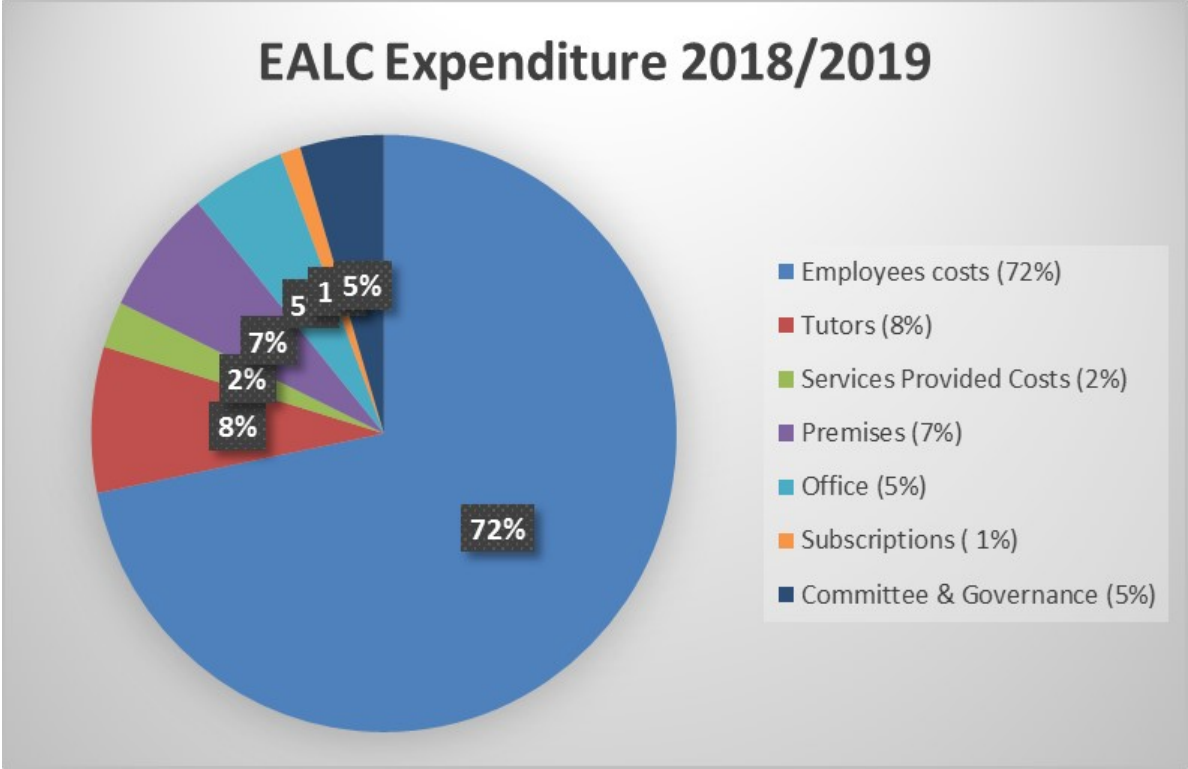
The holding company EA (2013) Ltd Accounts are included in the report for the processing of the rent payment.

I would like to thank Joy Darby for the continued support and professional development in my career with the EALC.

Income Comparison



Expenditure Comparison



Joy Darby BA (Hons)
Chief Executive Officer

Dear Member Councils

Joy Darby

Chief Executive Financial Report to the Membership

The Auditor Maurice Howard has once again provided the EALC with a full audit. He has been extremely helpful to Miss Slade in her work this year, especially as the EALC was required to go VAT registered in January 2019. With some general advice from the National Association of Local Councils RFO Steve Walker, Miss Slade has provided a smooth transition as we changed the way we worked and accounted for VAT.

At the end of March 2019, the Assistant Chief Executive Officer Linda Golding retired and Miss Slade increased her hours and responsibilities to become the Executive RFO & Building Manager. This promotion is part of the continuity plan the EALC has been working on to ensure that the Association is being managed by the best possible staff. Mrs Sheppard assists Ms Slade, splits her hours between buildings management, the training department and our communication work.

The training services have developed further with the EALC delivering more courses and we have a plan to exceed this in 2019/20. As part of the succession planning Pearl Willcox increased her responsibilities to become the Executive County Training Officer. During the year we will be looking at an online course and be able to deliver the first of these in the autumn of 2019.

The EALC has been successful in securing the delivery of the CIF and Microgrant funds in 2019. Mrs Gambardella has been managing the process and the delivery of microgrants is ongoing. Mrs Frost joined the EALC as the first Health and Wellbeing Officer, who will be managing all parts of the ongoing work to connect the tier with Health and Wellbeing initiatives. This will include setting up the sectors own Health and Wellbeing Board.

The Membership has remained stable and close to 100%. This year there is only 1 non member council. During the year we consulted on the new strategic plan which was agreed by the Executive and is to be presented at the AGM. The action plan will be created by the Executive in the autumn.

At the AGM in 2019, the EALC Executive Committee will propose an increase of 3% based on the electorate of each Member Council. This amount will bring in approximately £1500, which will only go so far in managing the increasing costs and inflation.

I am extremely proud to be the Chief Executive Officer of the EALC and to work for you, the Membership.