ESSEX ASSOCIATION OF LOCAL COUNCILS

County Update

Special Finance Edition

No. 165

Report to the EALC Member Councils

Finance 2017/2018

Financial Administration Information
Prepared by Charlene Slade – Responsible Finance Officer/RFO

Treasurer's Report 2018
Cllr David McPherson-Davis

Accounts Year Ending 31st March 2018
Maurice Howard - Auditor

Responsible Finance Officer Report 2018
Charlene Slade - Responsible Finance Officer/RFO

EALC Chief Executive
Report 2018
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.

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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	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 May 2018.

AUDITORS

Maurice Howard has indicated his willingness to continue in office and will be proposed for reappointment at the Annual General Meeting 2018. 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 2017/8

Notes to the Accounts –page 3

The Audited Annual Accounts of the Association for the year 2017/8, with previous year comparisons, are shown on pages 4 and 5 in their new format which I believe gives a more overall view of the services provided. The Statement of Reserves and the Funds held at the 31st March 2018 are itemised on page 6. These are reviewed annually to ensure that there are sufficient funds for potential future costs.

The Notes to the Accounts on page 7 together with the comprehensive report by the Responsible Finance Officer on page 11 provide more detail regarding the performance of the Association. These are stated with the new addition of pie charts which provide a variation to just figures.

I must also refer you to the Chief Executives Report on page 12 in which she mentions a proposed increase in EALC subscriptions for 2018/9. Inflation is currently between 2 and 3% and likely, in my opinion, to remain so for the next year at least. We therefore need to cover any future increase in costs and a 2% rise in EALC subscription charges would help.

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 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.

David McPherson-Davis

EALC Treasurer

Essex Association of Local Councils
Statement of Income & Expenditure as at 31 March 2018

Note No.		31/03/2018		31/03/2017	
1	**Services Provided to Members**	83,796.64		66,221.81	
	Publications & Mail Services	3,693.42		5,600.13	
2	**Other**	1,354.00		0.00	
3	**Agency Services**	13,050.00		0.00	
			101,894.06		71,821.94
	Subscriptions				
	Members Total Subscriptions	120,974.22		117,373.37	
	Less NALC Subscriptions	-44,621.58		-43,536.05	
			76,352.64		73,837.32
	Grants Received				
	ECC Grant	40,000.00		40,000.00	
4	NALC Transparency Grant	8,013.09		13,307.00	
	HR Grant	2,500.00		2,500.00	
	Other grant income	0.00		0.00	
5	Interest Net of Bank Charges	581.40		1,000.41	
			51,094.49		56,807.41
	TOTAL INCOME		**£229,341.19**		**£202,466.67**
	Employee Costs	155,337.31		133,271.82	
	Tutors	19,578.09		14,811.29	
	Services Provided Costs	7,987.84		16,188.85	
	Premises	16,461.33		14,279.49	
	Office	12,370.82		10,841.37	
	Subscriptions	2,756.05		4,510.30	
	Committee & Governance costs	10,501.73		6,051.14	
	Bad Debt written off	0.00		437.52	
	Donations	110.00			
	TOTAL EXPENDITURE		225,103.17		200,391.78
			£225,103.17		**£200,391.78**
	SURPLUS / DEFICIT		**£4,238.02**		**£2,074.89**

Appropriations Account		
Accumulated Funds opening balance	57,917.93	55,843.04
Surplus/deficit for year	4,238.02	2,074.89
	62,155.95	57,917.93
Accumulated Funds closing balance	**£62,155.95**	**£57,917.93**

Essex Association of Local Councils
Statement of Financial Position at 31 March 2018

Note No.		31/03/2018		31/03/2017	
	Non Current Assets				
	Accounted for in inventory asset register		0.00		0.00
	Current Assets				
	Stock	3,960.02		2,970.82	
1	Debtors	2,398.58		7,144.68	
2	Payments in Advance	5,665.22		4,869.23	
	1 x Bonds	90,000.00		90,000.00	
	Deposit Account	5,983.25		25,957.92	
	3 x Current Accounts	59,818.13		33,058.19	
	Cash	128.25		65.52	
			167,953.45		164,066.36
	TOTAL ASSETS		**£167,953.45**		**£164,066.36**
	Reserves				
	Accumulated Funds	57,917.93		55,843.04	
	Surplus/Deficit	4,238.02		2,074.89	
			62,155.95		57,917.93
3	Legal Costs Reserve	2,484.00		2,484.00	
	Repairs & Renewals Reserve	10,500.00		10,500.00	
4	Restructuring Reserve	52,032.00		52,032.00	
			65,016.00		65,016.00
	Non EALC reserves				
5	Clerks Bursary Reserve	20,941.45		18,585.64	
6	Frost Assn Grant balance	2,920.43		2,920.43	
7	Maldon Bursary Reserve	13.00		13.00	
			23,874.88		21,519.07
			151,046.83		**144,453.00**
	Current Liabilities				
8	Creditors	2,910.58		6,073.72	
	Credit Card	350.66		524.64	
9	Receipts in advance	13,050.00		13,015.00	
10	Accruals	595.38		0.00	
			16,906.62		19,613.36
	TOTAL LIABILITIES		**£167,953.45**		**£164,066.36**

Essex Association of Local Councils
Annual Accounts for the Year Ended 31st March 2018
Statement of Reserves and Funds Held.

	Accumulated Funds	Restructuring Reserve	Repairs & Renewals Reserve	Clerks Bursary Reserve	Maldon Bursary Reserve	Legal Costs Reserve	Frost Est. Reserve	Balance
	£	£	£	£	£	£	£	£
Opening Balance	57,917.93	52,032.00	10,500.00	18,585.64	13.00	2,484.00	2,920.43	144,453.00
Funds Received	0.00							0.00
Surplus/Deficit	4,238.02							4,238.02
Transferred								0.00
Grant								0.00
Funds Spent				-5,644.19	0.00	0.00	0.00	-5,644.19
Clerks Bursary				8,000.00				8,000.00
Transferred								0.00
Maldon Bursary								0.00
Closing Balance	£62,155.95	£52,032.00	£10,500.00	£20,941.45	£13.00	£2,484.00	£2,920.43	151,046.83

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 2018.

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

reassume responsibility to anyone other than the Association and its members, for my audit work, for this report, or for the opinions

Respective responsibilities of the EALC and auditors

The RFO, 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 2018 and of it's surplus for the year then ended. They have been prepared in accordance with the EALC Financial Regulations dated June 2018.

Maurice Howard

FCPFA **(DATE) 30th June 2018**

Essex Association of Local Councils

Notes to accompany the EALC 2017/18 Year End Accounts

Note No.

Notes to Statement of Income and Expenditure

1 Income from courses to include Saturday courses
2 Other Includes income from AGM
3 Income from ECC for Local Services Fund
4 Transparency Fund From NALC Grant to EALC
5 Bank Interest Received Net of Bank Charges

Notes to Statement of Financial Position

1 Aged Debtors - considerably reduced to last year
2 Payments made in advance include Vine HR, Rent, Postage, Xerox Rent
3 Legal Cost Reserve provision of re-negotiation of rent in due course
4 Restructuring reserve provision in the event that EALC should cease to trade
5 Clerks Bursary funds provided by ECC to assist with member council's training costs
6 Frost Estate
7 Maldon Bursary
8 Creditors
9 Receipts in advance Local Service fund £13050 received for October to March
10 Accruals relate to Xerox Printing machine

NOTE

Funds were received by EALC from NALC during 2017/18 totalling £42,019.59 which were then distrib-

These funds are therefore not shown as income in the annual accounts.

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 2018

Note No.		31/03/2018		31/03/2017	
	Income				
	Bal b/fwd	100.00		100.00	
	EALC contribution to rent	5,250.00		5,250.00	
	ECC contribution to rent	21,000.00		21,000.00	
	EALC re-embursements (for bank charges)	36.00		54.00	
			26,386.00		26,404.00
	TOTAL NET INCOME		**£26,386.00**		**£26,404.00**
	Expenditure				
	Rent	26,250.00		26,250.00	
	Bank Charges (service charge)	72.00		54.00	
	Balance carried fwd	64.00		100.00	
	TOTAL EXPENDITURE		26,386.00		26,404.00
			£26,386.00		**£26,404.00**
	SURPLUS / DEFICIT		**£0.00**		**£0.00**

EA (2013) Ltd

Statement of Financial Position at 31 March 2018

Note No.		31/03/2018		31/03/2017	
	Non Current Assets				
	Set up costs		0.00		0.00
	Current Assets				
	Debtors	36.00		54.00	
	Payments in Advance	6,625.00		6,115.38	
	Bank Account	64.00		46.00	
			6,725.00		6,215.38
	TOTAL ASSETS		**£6,725.00**		**£6,215.38**
	Current Liabilities				
	Creditors	0.00		0.00	
1	Receipts in Advance	6,625.00		6,115.38	
			6,625.00		6,115.38
	TOTAL LIABILITIES		**6,625.00**		**6,115.38**
			100.00		100.00
	SHAREHOLDERS FUNDS				
	Balance brought forward		100.00		100.00
			£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

Notes to Statement of Financial Position

1 Receipts in advance - comprising
ECC rent grant of £5369.57
EALC contribution to rent in advance of £1255.43
Total sum of £6625

NOTE **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 2018

Maurice Howard
FCPFA 30th June 2018

Charlene Slade AATQB
Responsible Finance Officer

Having settled into life at the Essex Association of Local Councils over the past year, I feel privileged to work in a successful and dynamic environment.

The Association has always been a busy organisation and as you know in January 2017 we introduced courses on Saturdays. They have proved to be a continued success during 2017/2018 for those delegates that are unable to attend courses during the week.

The Essex Association has maximised the services provided to it's members with an increase on the previous year's income of approx 26%. We have provided a total of 16 Saturday courses which are over and above our normal courses provided to members.

In addition to courses this year, on behalf of Essex County Council the EALC has successfully managed the new initiative of the 'Local Service Fund'. The EALC organises all the applications that are submitted and then provides the necessary documentation to be presented to the panel members. This has also been a success for both Essex County Council and Essex Association of Local Councils and proves that this organisation remains dynamic and hard working to ensure we continue to provide quality services to its members.

The Affiliation Subscriptions this year were as budgeted. The Association held 99% membership, Essex is the only County achieving this record number of members.

Our Grants from Essex County Council for training, premises and a core grant, continues to be provided. This is fundamental to the Association, enabling us to deliver training and bespoke courses to it's affiliated members. The Association also provided other key services of expertise to it's members; including the changes in Government Regulations for GDPR that came into place this May. We are ever grateful to Essex County Council for it's continued grant support.

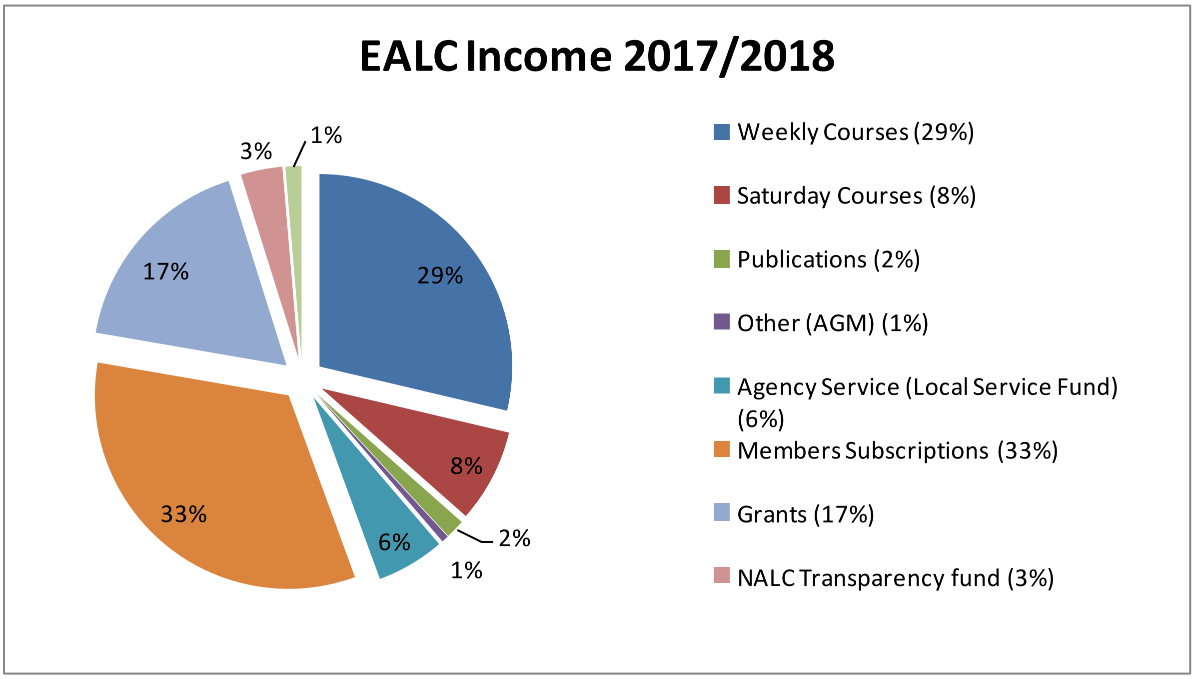
I therefore have pleasure in presenting to you the Annual Accounts and Statement of Financial Position for the year ended 31st March 2018.

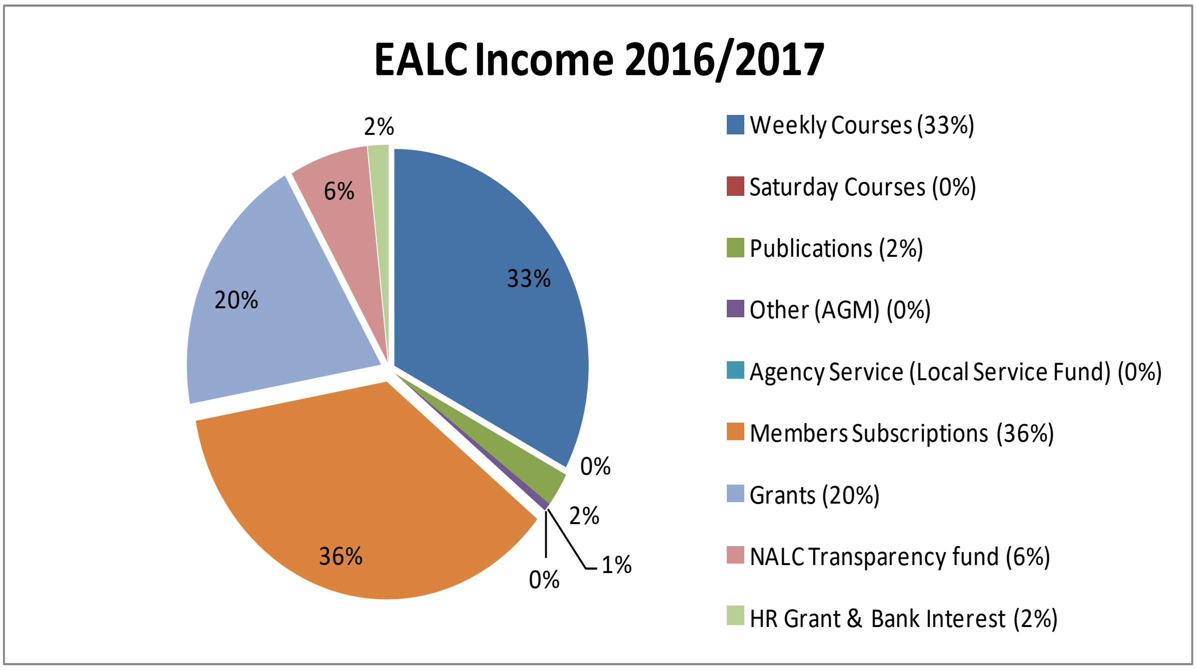
Essex Association of Local Councils ended the year with a surplus of £4,238.02 The Accumulated fund closing balance is £62,155.95. The statement of reserves gives a clear report of the funds held. The level of reserves are adequate in the event of restructuring the Association. Legal costs remain the same this year. There is adequate provision for building repairs and renewals.

The holding company EA (2013) Ltd Accounts are also included in this report. This Limited company is set up purely for the function of paying the premises rent account. There are bank charges applicable for this service which are reflected in the accounts.

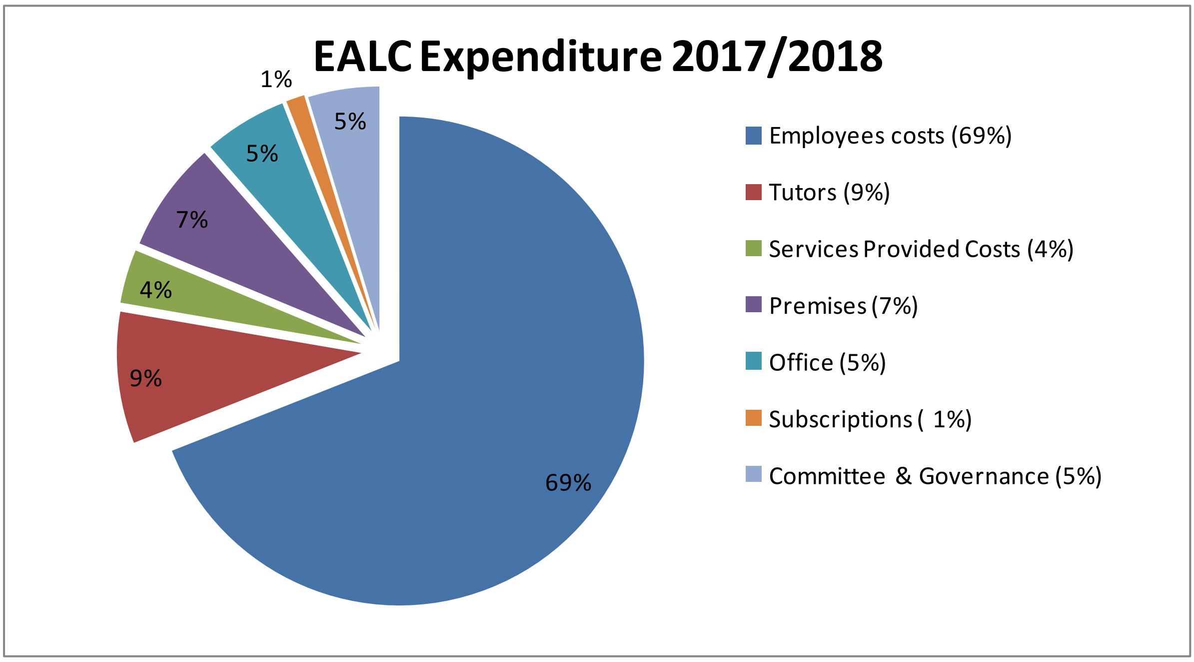
I would like to personally thank Joy Darby the CEO and the organisation for supporting my continued professional development in completing my AAT Level 4 Qualification this year. I have been able to put into practice the methods from this qualification to ensure that the decision making for the committee members remains transparent and sustainable for the future of the Association.

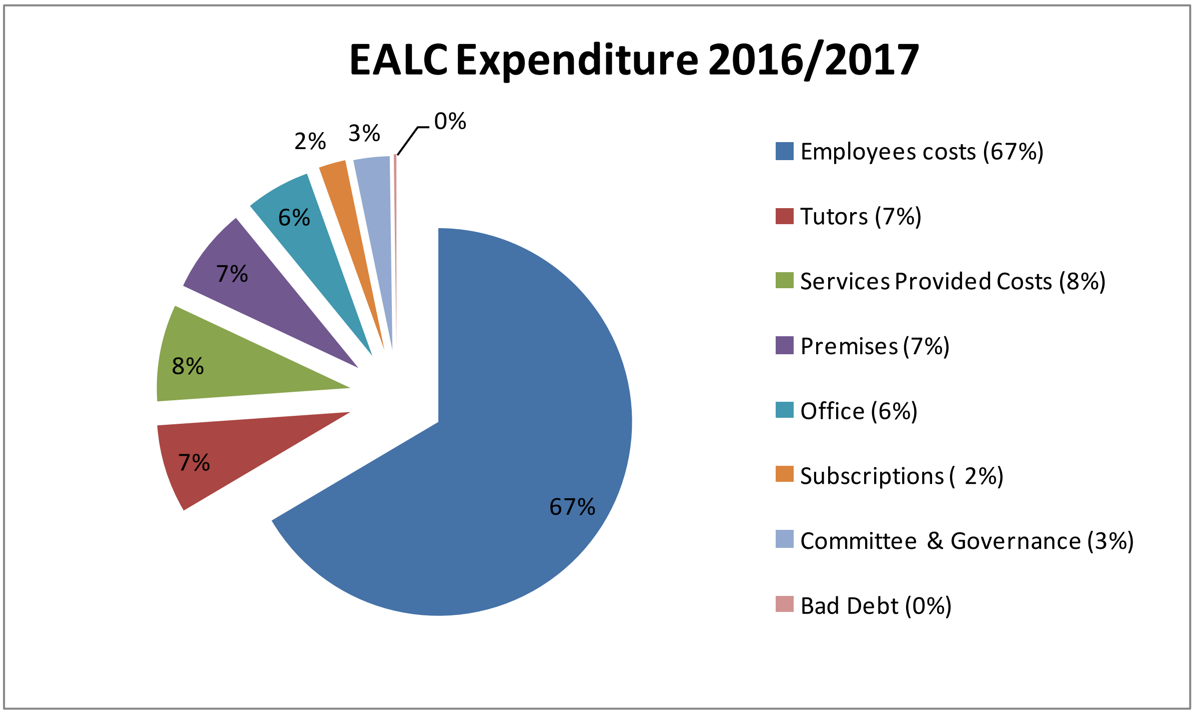
Income Comparison





Expenditure Comparison





Joy Darby BA (Hons)
Chief Executive Officer

Dear Member Councils

Chief Executive Financial Report to the Membership

The accounts 2017/2018 presented to you have been prepared in accordance with the EALC Financial Regulations and good accounting practices. The Auditor Mr Maurice Howard FCPFA, has approved the accounts as a true and fair view of the finances of the EALC and of EA(2013) Ltd. I would like to record my thanks to Mr Howard for his professional work and the direction he has provided.

The Responsible Finance Officer (RFO) (Miss Slade) has made considerable improvement to the daily processes and procedures in maintaining the EALC accounting practices. Continuous Professional Development has been high on the list of priorities, and the EALC has supported Miss Slade in attaining her AAT Level 4. It is the hard work of the EALC Staff that has led to this excellent set of accounts provided to you this year. The training services have developed and increased income through the hard work of Mrs Willcox and Team EALC. Miss Slade has provided information on maximising income, and saving on expenditure, which has supported the generation of this year's surplus.

The Membership has remained stable and close to 100%. Only two Councils choosing not to affiliate in this financial year. The EALC must continue to look at the level of affiliation and research into why we lose Councils, and the best way to retain membership. During this next year we will be consulting on a new strategic plan, and once adopted, an action plan to improve service delivery. It is most important that the Membership play a strong role in directing this new plan, and the services that the EALC will provide in the future. Being Member led and Council focussed is crucial.

At the AGM in 2018, the EALC Executive Committee will propose an increase of 2% 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. To be able to produce another set of accounts like these, the EALC will need to maximise income and reduce expenditure, this theme is continuous year on year. The fee for each Council will be based on the size of the electorate and will include (separate line on invoice) the NALC Fee which is likely to be 1.9%. The fee for each Council will be available upon request in November 2018.

I have no doubt that the financial year 2018/2019 will be challenging, however with the support of all Essex Parish Tier Councils, I am confident that we can deliver the right services, provide the right training, support legal enquiries and achieve a high standard of excellence. I look forward to working with you during this year.

Joy Darby