

Edlington Town Council



Explanation Regarding the Internal Auditor's No to Item J of the Internal Audit Section of the AGAR 2023-24

Section J on page 7 of the Final Internal Audit Report completed on 22 May 2024 regarding the AGAR 2023-24 states

“The Council maintains its accounts on the correct basis, namely income and expenditure. I reviewed the AGAR and confirmed that it had been correctly compiled from the accounting system. However, a credits are due for around £12,000 from SSE relating to overcharges in 2023/24, and have not been reflected in the accounts. I understand the reluctance not to amend the Council's accounts at this late stage, but would say therefore that expenditure is overstated and reserves understated as at 31 March 2024. Consequently, the accounts have not been compiled on the correct accounting basis, as this is a material sum.”

The Town Council completes its accounts on an income and expenditure basis. This means all monies owed by and owing to the Town Council are recorded in the accounts.

It should be noted that all monies owed by and owing to the Town Council except the SSE credit were recorded in the accounts.

The RFO took the decision not to include the SSE credit in the accounts for the following reasons:

- The monies owed to the Council as a result of SSE overcharging during 2023-24 will only enter the Town Council's bank account if when the contract with SSE ends in April 2025 there remains a credit owing to the Town Council.
- The monies owing to the Town Council as a result of SSE overcharging for the Grainger Centre's energy usage are being “refunded” to the Town Council in the form of “payment holidays” for the Council's buildings.
- The amount of monies owed to the Town Council by SSE are not known. This is because it was only in May 2024 that the reason for the overcharge was discovered.

SSE were calculating estimated bills on the basis that the Town Council's annual usage of

- The Cemetery was 16,800 kwh
- the Grainger Centre was 59,722 kwh
- The Recreation Ground was 8,000 kwh

In fact usage is as follows

- the Cemetery – 2,920 kwh
- The Grainger Centre – 11,680 kwh
- The Recreation Ground – 480 kwh

This means that SSE are now aware that they have also overcharged the Town Council for the Cemetery and the Recreation Ground and credits for these buildings are now owed to the Town Council.

Catherine Mulle
Clerk and Responsible Finance Officer
Edlington Town Council

10 June 2024