

## **Annual Meeting & Mayor Making**

**Wednesday 22<sup>nd</sup> May 2019 at Council Offices, Market Street commencing at 6:00pm**

1. To receive apologies for absence
2. To confirm the Minutes of the last Annual Meeting on Wednesday 16<sup>th</sup> May 2018
3. To elect Town Mayor for the municipal year 2019-2020 and present the chain of office
4. To elect Deputy Mayor of the Town Council for the municipal year 2019-2020
5. To sign Declaration of Acceptance of Office of Town Mayor and Deputy Town Mayor
6. To receive any changes to Declarations of Interest of Town Councillors
7. To appoint Membership of Town Council Committees:
  - a) Asset Management Committee
  - b) Finance and Governance Committee
  - c) Town Development & Planning Committee
8. To approve representation on outside bodies and groups for the municipal year 2019-2020:
  - a) Carnforth Business Network
  - b) 2246 Squadron ATC Committee
  - c) Carnforth & District Chamber of Trade
  - d) Carnforth Station & Railway Trust
  - e) Quarry Committees
  - f) Lancashire Association of Local Councils (Lancaster Area Committee)
  - g) Tree Warden
  - h) Manserghs Apprentice Trust
  - i) Carnforth Swimming Pool
9. To consider Internal Audit Report and approve Annual Governance & Accountability Return (AGAR) 2018 – 2019
10. To consider for adoption Risk Assessment 2019/2020
11. To consider date and time of the next Annual Meeting of Carnforth Town Council

**MEMBERS OF THE PUBLIC AND PRESS ARE WELCOME TO ATTEND**

Bob Bailey  
Town Clerk  
28 Wilson Grove  
Heysham,  
Morecambe, LA3 2PQ  
Tel: 07846 256 006  
Email: [clerk@carnforthtowncouncil.org](mailto:clerk@carnforthtowncouncil.org)  
**Website:** [www.carnforthtowncouncil.org](http://www.carnforthtowncouncil.org)

13 May 2019



# Carnforth Town Council

## Annual Meeting & Mayor Making held at the Council Offices on Wednesday 16<sup>th</sup> May 2018

**Present:** Councillors Barbu; Branyan; Bromilow; Gardner; Grisenthwaite; Jones; Parker; Roe; Smith and Wooff

**In attendance:** Bob Bailey, Town Clerk; City Councillors Guilding and Reynolds; three residents

- 1) **Apologies:** Apologies were received from Councillor Watkins; County Councillor Williamson and City Councillor Yates.
- 2) **Minutes of the Annual Meeting held on Wednesday 17th May 2017:** Minutes of the previous Annual Meeting were approved.
- 3) **Town Mayor:** It was proposed by Councillor Branyan, seconded by Councillor Smith and passed unanimously that Councillor Roe be elected Town Mayor (Chair of the Town Council) for the municipal year 2018 – 2019.  
Councillor Wooff then presented Councillor Roe with the Chain of Office and representatives from the Gideon's Society presented Councillor Roe with a bound bible.
- 4) **Deputy Town Mayor:** It was proposed by Councillor Branyan, seconded by Councillor Parker and passed unanimously that Councillor Gardner be elected Deputy Town Mayor for the municipal year 2018 – 2019
- 5) **Declaration of Acceptance of Office:** Councillors Roe and Gardner signed the declarations of acceptance of office of Town Mayor and Deputy Town Mayor
- 6) **Declarations of Interest and Dispensations:** There were no changes to previous declarations of interest. Councillors Barbu and Roe dispensations as local businessmen were accepted for the municipal year 2019/2020.
- 7) **Committee Membership:** Members considered and approved the following membership of the Town Council's committees:
  - a) **Asset Management Committee:** Councillors Bromilow; Parker, Roe and Wooff
  - b) **Finance & Governance:** Councillors Branyan; Gardner; Grisenthwaite; Jones and Parker
  - c) **Town Development Committee:** Councillors Barbu; Bromilow; Smith; Watkins and Wooff
- 8) **Internal Auditor:** Given that this was his first year in office, the Town Clerk requested that a detailed internal audit be carried out of the Town Council's financial affairs, governance and accountability arrangements and that this be undertaken by a competent and qualified person in line with account and audit regulations and best practice. It was reported that that previous audits had been undertaken as part of a 'syndicate' of local parish clerks.

The Town Clerk informed Members that Derek Whiteway CPFA, a qualified public sector accountant and Internal Audit Manager, had expressed an interest in carrying out the audit of the 2017/2018 Annual Governance and Accountability Return and the Town Councils internal controls.

It was then proposed by Councillor Gardner, seconded by Councillor Wooff and carried unanimously that Derek Whiteway CPFA be appointed the Internal Auditor for Carnforth Town Council.

- 9) **Election of officers and Representation on Outside Bodies:** Members considered and approved Councillors as officers and representatives on outside bodies, as set out below:
- a) **Outdoor Maintenance Liaison:** Councillor Parker;
  - b) **Carnforth & District Twinning Association:** Councillors Grisenthwaite; Jones and Parker
  - c) **2246 Squadron ATC Committee:** Councillors Grisenthwaite and Wooff;
  - d) **Carnforth & District Chamber of Trade:** Councillor Watkins;
  - e) **Carnforth Station & Railway Trust:** Councillors Roe and Gardner
  - f) **Quarry Committees:** Councillors Parker and Wooff;
  - g) **Lancashire Association of Local Councils (Lancaster Area Cmte):** Councillors Bromilow and Gardner;
  - h) **Tree Warden:** Councillor Barbu
  - i) **Manserghs Apprentice Trust:** Councillor Roe;
  - j) **Carnforth Swimming Pool:** Councillors Branyan; Watkins and Wooff
- 10) **Date and time of next meeting:** The next Annual Meeting of the Town Council will be held on **Wednesday 15<sup>th</sup> May 2019 commencing at 6:00pm**
- The meeting closed at 7:05pm and was followed by the monthly meeting of the Town Council.

# **Report to Carnforth Town Council**

**Author: Derek Whiteway**

**Date: 2<sup>nd</sup> May 2019**

<b>Subject: Annual Internal Audit 2018/19</b>
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## **1 Introduction**

- 1.1 At the request of the Town Clerk, an internal audit review has been undertaken of the Council's financial and internal control systems, with the objectives of:
- a) Providing assurance as to the adequacy and effectiveness of the systems in place and making recommendations as appropriate; and
  - b) Providing an opinion on to the extent of compliance with 'Internal Control Objectives' as set out in the standard form of Annual Internal Audit Report included in the Annual Governance and Accountability Return (AGAR) for 2018/19.
- 1.2 This report is structured along the lines of the 'Internal Control Objectives' specified in the AGAR.

## **2 Control Objective A - Appropriate accounting records have been properly kept throughout the financial year.**

- 2.1 My review considered the accounting records for 2018/19 financial year, including bank statements, reports to Finance Committee and Council, VAT working papers, etc. My findings and conclusions were as follows:
- a) I concluded that the control objective had been met. No significant discrepancies were found, with exception of a small number of minor errors in the recording of figures, which have been brought to the attention of the Town Clerk.

**3 Control Objective B - This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.**

3.1 My review considered the payments system and the reports produced. A sample of paid invoices were examined. My findings and conclusions were as follows:

- a) I concluded that the control objective had been met. The payments system is well-designed and efficient in relation to the needs of the Council, with strong approval procedures.
- b) All sampled payments were properly incurred and supported by a valid invoice.

**4 Control Objective C - This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.**

4.1 My review considered the most recent risk assessment record and whether any view of risk had been undertaken. My findings and conclusions were as follows:

- a) I concluded that the control objective had been met.
- b) A revised risk assessment was considered by Finance Committee in July 2018 and recommended to Council for adoption.

**5 Control Objective D - The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.**

5.1 My review considered the budget monitoring reports, the budget and precept setting process and the overall financial position of the Council. My findings and conclusions were as follows:

- a) I concluded that the control objective had been met.
- b) A thorough and appropriately detailed budget process was carried out, resulting in precept approval in January 2019.
- c) Monitoring reports to Finance Committee and Council are now set at a suitable level of detail.
- d) The level of reserves at the end of the year (£17k at 31/03/19) is much reduced against the previous year (£29k at 31/03/18), reflecting higher financial demands during 2018/19. The increase in precept for 2019/20 is

justified with reference to this additional spending and to spending plans for 2019/20.

- e) Given the above, it is important that robust financial monitoring continues during 2019/20 and that work is continued to assess financial risks and determine an appropriate level of reserves in the long-term.

## **5.2 Recommendations:**

- 1. That, as part of the review of risk, attention is given to the level of financial risk facing the Council and this is used to determine a target level of reserves for the medium to long-term.**

## **6 Control Objective E - Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.**

- 6.1 My review considered the income paid into the bank accounts, the invoice list maintained and the current schedule of charges. My findings and conclusions were as follows:
  - a) I concluded that the control objective had been met.
  - b) Income is regularly received and banked into two bank accounts
  - c) VAT has been charged and declared to HMRC appropriately

## **7 Control Objective F - Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.**

- 7.1 The Council does not currently operate any petty cash based systems, therefore this objective is not applicable.

## **8 Control Objective 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**

- 8.1 My review considered the Payroll system being operated and examined a sample of payments to employees. My findings and conclusions were as follows:
  - a) I concluded that the control objective had been met.

- b) HMRC's own 'Basic PAYE Tools' system is used, providing a sound process for calculating and reporting pay and PAYE/NI.
- c) Clarity has now been achieved about the treatment of all elements of pay processed through the payroll and this is working efficiently.

## **9 Control Objective H - Asset and investments registers were complete and accurate and properly maintained**

9.1 I examined the current Asset Register and discussed its contents with the Town Clerk. The Council does not currently hold any investments. My findings and conclusions were as follows:

- a) I concluded that the control objective had been met, subject to the following observations:
- b) The record of assets has been updated to include assets (office equipment, etc) acquired during the year.
- c) A planned formal review of the Asset Register has not yet been carried out and it is recommended that this be done at the earliest opportunity.

### **9.2 Recommendations:**

- 2. That the planned formal review of the Asset Register is carried out as soon as practically possible.**

## **10 Control Objective I - Periodic and year-end bank account reconciliations were properly carried out**

10.1 I reviewed the year end bank reconciliation and information provided in the Town Clerk's periodic monitoring reports. My findings and conclusions were as follows:

- a) I concluded that the control objective had been met
- b) The new cash book arrangements have facilitated the production of periodic bank reconciliations, reported to each meeting of the Finance Committee.

**11 Control Objective 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.**

11.1 I reviewed the Council's bank statements, monitoring reports and the draft Annual Governance and Accountability Return (AGAR). My findings and conclusions were as follows:

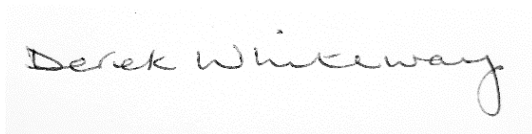
- a) I concluded that the control objective had been met.
- b) The correct accounting basis (receipts and payments) has been employed.
- c) Receipts and payments have been agreed to the underlying records maintained.

**12 Summary**

12.1 In summary, it is my opinion that the Council has established all the elements necessary to provide a sound system of internal control, and these have operated effectively to provide assurance as to the accuracy of the accounts.

12.2 It is pleasing to note that the recommendations made following my audit of the 2017/18 accounts have been implemented and that the measures taken have clearly helped strengthen the Council's financial arrangements.

12.3 I should like to thank the Town Clerk for his input and courtesy during the audit and I wish the Council every success in the coming year.

A handwritten signature in black ink that reads "Derek Whiteway". The signature is written in a cursive style with a long, sweeping tail on the final letter.

**Derek Whiteway**

**2<sup>nd</sup> May 2019**



# Annual Governance and Accountability Return 2018/19 Part 3

## To be completed by Local Councils, Internal Drainage Boards and other Smaller Authorities\*:

- where the higher of gross income or gross expenditure exceeded £25,000 but did not exceed £6.5 million; or
- where the higher of gross income or gross expenditure was £25,000 or less but:
  - are unable to certify themselves as exempt (fee payable); or
  - have requested a limited assurance review (fee payable)

## Guidance notes on completing Part 3 of the Annual Governance and Accountability Return 2018/19

1. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 **must** complete Part 3 of the Annual Governance and Accountability Return at the end of each financial year in accordance with Proper Practices.
2. The Annual Governance and Accountability Return is made up of three parts, pages 3 to 6:
  - The **annual internal audit report** is completed by the authority's internal auditor.
  - **Sections 1 and 2** are to be completed and approved by the authority.
  - **Section 3** is completed by the external auditor and will be returned to the authority.
3. The authority **must** approve Section 1, Annual Governance Statement, before approving Section 2, Accounting Statements, and both **must** be approved and published **before 1 July 2019**.
4. An authority with either gross income or gross expenditure exceeding £25,000 or an authority with neither income nor expenditure exceeding £25,000, but which is unable to certify itself as exempt, or is requesting a limited assurance review, **must** return to the external auditor by email or post (not both):
  - the Annual Governance and Accountability Return Sections 1 and 2, together with
  - a bank reconciliation as at 31 March 2019
  - an explanation of any significant year on year variances in the accounting statements
  - notification of the commencement date of the period for the exercise of public rights
  - Annual Internal Audit Report 2018/19

Unless requested, do not send any additional documents to your external auditor. Your external auditor will ask for any additional documents needed.

Once the external auditor has completed the review and is able to give an opinion on the limited assurance review, the Annual Governance and Accountability **Section 1, Section 2 and Section 3 – External Auditor Report and Certificate** will be returned to the authority by email or post.

## Publication Requirements

Under the Accounts and Audit Regulations 2015, authorities must publish the following information on a publicly accessible website:

Before 1 July 2019 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 2018/19**, approved and signed, page 4
- **Section 2 - Accounting Statements 2018/19**, approved and signed, page 5

Not later than 30 September 2019 authorities **must** publish:

- Notice of conclusion of audit
- **Section 3 - External Auditor Report and Certificate**
- **Sections 1 & 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.

The Annual Governance and Accountability Return constitutes the annual return referred to in the Accounts and Audit Regulations 2015. Throughout, the words 'external auditor' have the same meaning as the words 'local auditor' in the Accounts and Audit Regulations 2015.

*\*for a complete list of bodies that may be smaller authorities refer to schedule 2 to the Local Audit and Accountability Act 2014.*

## Guidance notes on completing Part 3 of the Annual Governance and Accountability Return 2018/19

- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this Annual Governance and Accountability Return. *Proper Practices* are found in the *Practitioners' Guide\** which is updated from time to time and contains everything needed to prepare successfully for the financial year-end and the subsequent work by the external auditor.
- Make sure that the Annual Governance and Accountability Return is complete (i.e. no empty highlighted boxes), and is properly signed and dated. Where amendments are made by the authority to the AGAR after it has been approved by the authority and before it has been reviewed by the external auditor, the Chairman and RFO should initial the amendments and if necessary republish the amended AGAR and recommence the period for the exercise of public rights. If the Annual Governance and Accountability Return contains unapproved or unexplained amendments, it may be returned and additional costs will be incurred.
- The authority **should** receive and note the annual internal audit report if possible prior to approving the annual governance statement and before approving the accounts.
- Use the checklist provided below to review the Annual Governance and Accountability Return for completeness before returning it to the external auditor by email or post (not both).
- Do not send the external auditor any information not specifically requested. However, **you must inform your external auditor about any change of Clerk, Responsible Financial Officer or Chairman, and provide relevant email addresses and telephone numbers.**
- Make sure that the copy of the bank reconciliation to be sent to your external auditor with the Annual Governance and Accountability Return covers all the bank accounts. If the authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree the bank reconciliation to Box 8 on the accounting statements (**Section 2, page 5**). An explanation **must** be provided of any difference between Box 7 and Box 8. More help on bank reconciliation is available in the *Practitioners' Guide\**.
- Explain fully significant variances in the accounting statements on **page 5**. Do not just send a copy of the detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete numerical and narrative analysis to support the full variance.
- If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or variances are not fully explained, additional costs may be incurred.
- Make sure that the accounting statements add up and that the balance carried forward from the previous year (Box 7 of 2018) equals the balance brought forward in the current year (Box 1 of 2019).
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the period for the exercise of public rights. From the commencement date for a single period of 30 consecutive working days, the approved accounts and accounting records can be inspected. Whatever period the RFO sets it **must** include a common inspection period – during which the accounts and accounting records of all smaller authorities must be available for public inspection – of the first ten working days of July.
- The authority **must** publish the information required by Regulation 15 (2), Accounts and Audit Regulations 2015, including the period for the exercise of public rights and the name and address of the external auditor **before 1 July 2019**.

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
All sections	Have all highlighted boxes have been completed?		
	Has all additional information requested, including <b>the dates set for the period for the exercise of public rights</b> , been provided for the external auditor?		
Internal Audit Report	Have all highlighted boxes been completed by the internal auditor and explanations provided?		
Section 1	For any statement to which the response is 'no', is an explanation provided?		
Section 2	Has the authority's approval of the accounting statements been confirmed by the signature of the Chairman of the approval meeting?		
	Has an explanation of significant variations from last year to this year been provided?		
	Has the bank reconciliation as at <b>31 March 2019</b> been reconciled to Box 8?		
	Has an explanation of any difference between Box 7 and Box 8 been provided?		
Sections 1 and 2	Trust funds – have all disclosures been made if the authority as a body corporate is a sole managing trustee? <b>NB:</b> do not send trust accounting statements unless requested.		

**\*Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices**, can be downloaded from [www.nalc.gov.uk](http://www.nalc.gov.uk) or from [www.ada.org.uk](http://www.ada.org.uk)

## Annual Internal Audit Report 2018/19

ENTER NAME OF AUTHORITY

This authority's internal auditor, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls to be in operation **during** the financial year ended 31 March 2019.

The internal audit for 2018/19 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	Agreed? Please choose one of the following		
	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 and year-end bank account reconciliations were properly carried out.			
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 2017/18, it met the exemption criteria and correctly declared itself exempt. ( <i>“Not Covered” should only be ticked where the authority had a limited assurance review of its 2017/18 AGAR</i> )			
L. During summer 2018 this authority has correctly provided the proper opportunity for the exercise of public rights in accordance with the requirements of the Accounts and Audit Regulations.			Not applicable ✓
<b>M. (For local councils only)</b> 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

DD/MM/YY DD/MM/YY DD/MM/YY

Name of person who carried out the internal audit

ENTER NAME OF INTERNAL AUDITOR

Signature of person who carried out the internal audit

SIGNATURE REQUIRED

Date

DD/MM/YY

\*If the response is 'no' you must include a note to 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 2018/19

We acknowledge as the members of:

ENTER NAME OF AUTHORITY

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 2019, that:

	Agreed		
	Yes	No*	'Yes' means that this authority:
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>
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>
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>
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>
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>
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>
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>
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>
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
			<i>has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.</i>

\*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 should be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

DD/MM/YY

and recorded as minute reference:

MINUTE REFERENCE

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

Chairman

SIGNATURE REQUIRED

Clerk

SIGNATURE REQUIRED

### Other information required by the Transparency Codes (not part of Annual Governance Statement)

Authority web address

AUTHORITY WEBSITE ADDRESS

## Section 2 – Accounting Statements 2018/19 for

ENTER NAME OF AUTHORITY

	Year ending		Notes and guidance
	31 March 2018 £	31 March 2019 £	
			<i>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.</i>
<b>1.</b> Balances brought forward			<i>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.</i>
<b>2.</b> (+) Precept or Rates and Levies			<i>Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.</i>
<b>3.</b> (+) Total other receipts			<i>Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.</i>
<b>4.</b> (-) Staff costs			<i>Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.</i>
<b>5.</b> (-) Loan interest/capital repayments			<i>Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).</i>
<b>6.</b> (-) All other payments			<i>Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).</i>
<b>7.</b> (=) Balances carried forward			<i>Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).</i>
<b>8.</b> Total value of cash and short term investments			<i>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></i>
<b>9.</b> Total fixed assets plus long term investments and assets			<i>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.</i>
<b>10.</b> Total borrowings			<i>The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).</i>
<b>11.</b> (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	<i>The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.</i>
			<i>N.B. The figures in the accounting statements above do not include any Trust transactions.</i>

I certify that for the year ended 31 March 2019 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

DD/MM/YY

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

DD/MM/YY

as recorded in minute reference:

MINUTE REFERENCE

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

SIGNATURE REQUIRED



## Section 3 – External Auditor Report and Certificate 2018/19

In respect of

ENTER NAME OF AUTHORITY

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

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 2019; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with guidance issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (see note below). Our work **does not** constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and **does not** provide the same level of assurance that such an audit would do.

### 2 External auditor report 2018/19

(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 2018/19

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 2019.

\*We do not certify completion because:

External Auditor Name

ENTER NAME OF EXTERNAL AUDITOR

External Auditor Signature

SIGNATURE REQUIRED

Date

DD/MM/YY

\*Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews in Auditor Guidance Note AGN/02. The AGN is available from the NAO website ([www.nao.org.uk](http://www.nao.org.uk))

# **CARNFORTH TOWN COUNCIL**

## **RISK ASSESSMENT AND LOG**

Date: 22 May 2019

Author: Bob Bailey, Town Clerk

Risk No.	Description of Risk	Controls in Place / Mitigation	Low / Medium / High Risk	Actions Taken / Planned	Responsibility
R1.	Personal injury / damage to members of the public or their property arising from defects on the council's property	Property comprises of fixed installations (i.e. seats and benches). Undertake regular maintenance checks and carry out prompt repairs as required.	Medium	Outdoor Maintenance Operative and Civic Hall Manager maintain equipment / assets owned by the council. Insurance includes employee liability cover for staff. Periodically review insurance cover and timely renewal to avoid compensation claims	Council / Staff
R2.	Compensation claim by employee or contractor in respect of injury sustained in the cause of his / her employment / engagement	The nature of the Town Clerks work means that there is a low risk of injury. There is a medium risk of injury from work carried out by the Outdoor Maintenance Operative and Civic Hall Manager	Medium	Insurance includes employee liability cover for staff. Annually review insurance cover to mitigate compensation claims and associated costs	Council
R3.	Loss of cheques / cash held on behalf of council	A small amount of income is received by cash / cheque. Any losses are covered by insurance. Income is banked promptly and precept / VAT reimbursements are directly paid into the bank account	Low	Annually check adequacy of insurance cover	Council / Town Clerk
R4.	Financial loss due to banking error	Every month, bank statements are scrutinised and reconciled by the Town Clerk and accounts transactions / bank reconciliations reported to Finance & Governance Committee. Banking arrangements were reviewed in April / May 2018 and accounts are annually checked by internal / external auditors	Low	Annually review banking arrangements to secure best possible terms and conditions	Council / Town Clerk
R5.	Loss of monies due to fraudulent action by employee(s)	All BACS / cheque transactions are authorised by two councillors. All expenditure is approved by the Town Council and transactions subject to monthly scrutiny by Finance & Governance Committee. Internal and external auditors examine accounts annually. Audited accounts are open to public scrutiny annually.	Low	Check adequacy of insurance. Undertake a formal annual review of internal control arrangements as part of the AGAR	Council



Risk No.	Description of Risk	Controls in Place / Mitigation	Low / Medium / High Risk	Actions Taken / Planned	Responsibility
R6.	Damage to council property by third party	Some property is intended for public use and potentially at risk of damage by a third party. Maintain property in good condition and ensure adequate insurance cover	Medium	Regularly check property and adequacy of insurance cover	Council / Staff
R7.	Compensation claim resulting from (alleged) negligent act or accidental error or omission by the council or its employee(s)	Low risk given controls in place. Maintain adequate insurance cover and ensure Town Council decisions are based on full information including professional advice where necessary	Low	Check adequacy of insurance cover. Monitor and review governance arrangements.	Council / Town Clerk
R8.	Actions against the council for libel or slander	Meetings are conducted in accordance with standing orders and financial regulations. These were last reviewed in 2015/16. FOI Publication Scheme approved in June 2018	Medium	Review Standing Orders and Financial Regulations and other policies during 2019/2020	Council / Town Clerk
R9.	Failure to represent community interest adequately in relation to matters likely to impact significantly on the town	Community engagement is provided through social media, website (new in 2018/20019) and the Carnforth Express. Formal consultation arrangements include occasional public meetings and there will be wide consultation on the developing Neighbourhood Plan. Town council is consulted by principal authorities and agencies. Membership of NALC / LALC provides professional advice	Medium	Develop community engagement arrangements through online surveys, public meetings, posts on social media and website. Press and Media and Social Media policy adopted 2018/2019	Council / Town Clerk
R10.	Order for precept not submitted or paid by local authority. Precept is inadequate to meet plans	Precept for the following year considered in January following a robust budgetary process. Receipt of precept checked by Town Clerk. Precept based on plans for the town in the coming year and forecasted difference between income and expenditure.	Low	Precept submitted before deadline each year. Amount of precept required based on plans for the coming year and the forecasted difference between income and expenditure. Budget process was reviewed and improved in 2018/2019 (see Internal Audit Report)	Council / Town Clerk

Risk No.	Description of Risk	Controls in Place / Mitigation	Low / Medium / High Risk	Actions Taken / Planned	Responsibility
R11.	Financial records inadequately / incorrectly maintained	Town Clerk is a qualified accountant / audit professional and trained as a professional Clerk with many years' experience. Financial records are checked by internal and external auditors annually.	Low	A comprehensive cash- book or similar accounting record now established as the prime source of financial reporting, including bank reconciliations, budget monitoring, VAT returns, etc. Budget monitoring reports were improved in 2018/2019 providing clear information on any exceptions and areas requiring attention / remediation (see Internal Audit Report)	Council / Town Clerk
R12.	VAT incorrect / not reimbursed / not properly accounted for	VAT returns submitted quarterly. VAT records checked by internal and external auditors	Low	VAT properly analysed in accounts maintained by Town Clerk and scrutinised by Finance & Governance committee and Town council	Council / Town Clerk
R13.	Unidentified / inadequate general and / or earmarked reserves	Considered in budget setting / review of annual accounts	Medium	Amount of reserves required for the following year was considered as part of the budget process based on available funds and costed plans for the coming year. Reserves policy will be produced in 2019/2020	Council / Town Clerk
R14.	Minutes are inaccurate / illegal	Minutes are approved by the Town Council and committees at every meeting. Town Clerk has undergone necessary training	Low	Support Clerk's professional development and Councillor's attending training where necessary	Council
R15.	The Town Council undertakes / makes a payment that is illegal / outside its powers	Town Clerk advises Members on the council's legal powers and duties and has undergone appropriate training to be able to advise the Town council	Low	Ensure Members are aware of, and kept up-to-date on, the legal powers of parish councils	Council / Town Clerk
R16.	Employee(s) performance is inadequate / underdeveloped	Annual appraisal of Town Clerk's performance and development to be established. Town Clerk is a member of SLCC and is undergoing CiLCA training	Low	Maintain annual performance / development appraisal. Town Clerk to undertake training and continuous development as required. CiLCA to be completed in 2019/2020	Council / Town Clerk
R17.	Loss of key staff through long term illness / early resignation etc.	Cover for Civic Hall Manager is in place. Alternative arrangements will be made to cover Outdoor Maintenance Operative. Clerk in good health but no cover for absences currently in place.	Low	Monitor risk and manage as necessary. Consider cover for Town Clerk if absent	Council

Risk No.	Description of Risk	Controls in Place / Mitigation	Low / Medium / High Risk	Actions Taken / Planned	Responsibility
R18.	Inadequate management of financial and other risks associated with the activities of the council	Risk assessment and register carried out and adopted on 2018/2019 following qualification of accounts	Low	Review/revise risk register and monitor actions throughout the year action has been taken to ensure that risks are identified and mitigated. Review significant risks annually	Council / Town Clerk
R19.	Compliance with Transparency Code for Smaller Authorities (the Code)	New compliant website established	Low	New website now includes information required by the Code.	Council / Town Clerk
R20.	Compliance with General Data Protection Regulations (GDPR)	Implications of GDPR brought to Members attention and privacy notice and data protection and information policy approved in early 2018	Low	Clerk appointed as the Data Protection Officer. GDPR came into effect on 25 <sup>th</sup> May 2018. Controls will be reviewed to ensure ongoing compliance and to mitigate the risk of any GDPR breaches.	Council / Town Clerk
R21.	Compliance with Freedom of Information Act 2000	Requirements and implications of the Freedom of Information Act 2000 brought to Members attention and Publication Scheme approved in June 2018	Low	Review publication scheme and FOI requirements / expectations annually.	Council / Town Clerk
R22.	Failure to comply with Accounts and Audit Regulations 2015 and Audit Commission Act 1998	Requirements of the acts brought to Members attention and accounts produced in accordance with them. Accounts audited annually.	Low	Internal Auditor concluded that the financial records met all the objectives of the Annual Governance & Accountability Return Part 3 and was in full compliance with relevant legislation. All 13 recommendations from the 2017/2018 Audit were implemented during 2018/2019.	Council / Town Clerk
R23.	Failure to comply with the Representation of the Peoples Act 1983	Requirements of the act is brought to Members attention at all Council elections (City/Town and Parish and By-elections) to ensure compliance and monitor the service provision provided by the Returning Officer and Elections team	Low	Develop a checklist to ensure that all requirements of the Town Council are met. Include potential costs in budget setting process	Council / Town Clerk