



**AGENDA FOR THE OPERATIONS COMMITTEE
WEDNESDAY 23RD MAY 2018 AT THE GUILDHALL TOTNES**

You are hereby summoned to attend the Operations Committee Meeting, which is to be held in the Guildhall, Totnes on **Wednesday 23rd May 2018 at 5pm** for the purpose of transacting the following business:

No	Subject	Comments
1	To receive apologies and to confirm that any absence has the approval of the Council.	
	<i>The Committee will adjourn for the following item:</i>	
Public Question Time: A period of 15 minutes will be allowed for members of the public to ask questions or make comment regarding the work of the Committee or other items that affect Totnes.		
<i>The Committee will convene to consider the following items:</i>		
2	To discuss any matters arising from the minutes of the last meeting (already agreed through Full Council).	Enclosure
3	To consider the budget monitor and any virements needed.	Enclosure
4	To consider the Annual Return for recommendation to Full Council.	Enclosure
5	To consider the revised Standing Orders.	See May 2018 Full Council papers
5	To consider the SHDC proposal of the transfer of play area assets (at Collapark, Smithfields and Westonfields) to Totnes Town Council.	
6	To consider taking on the maintenance of the Borough Park Flower Bed at the Station Road entrance.	
7	To note the date of the next meeting: Monday 25th June , time TBC.	
The Council will be asked to RESOLVE to exclude the press and public "by reason of the confidential nature of the business" to be discussed and in accordance with the Public Bodies (Admission to Meetings) Act 1960.		
8	To consider and agree the bank and petty cash reconciliations (confidential as contains personal information of payees).	Enclosure

Committee members:

Cllr M Adams (Chair)
Cllr R Adams
Cllr E Price
Cllr J Westacott
Cllr J Sweett
Cllr P Paine

Future meetings agenda items:

- Update Statement of Internal Control
- To consider the Internal Audit report
- To review a summary of the required actions resulting from the Risk Assessment programme
- Plastic Free initiatives - June

Catherine Marlton

Town Clerk



Item 2

MINUTES FOR THE OPERATIONS COMMITTEE
MONDAY 23RD APRIL 2018 AT THE GUILDHALL TOTNES

Present: Councillor M Adams (Chairman), Paine, R Adams, Price, Westacott MBE and Sweett

Apologies: None

In Attendance: Catherine Marlton (Town Clerk), 1 member of the press.

No	Subject	Comments
1	To receive apologies and to confirm that any absence has the approval of the Committee.	None.
<i>The Committee will adjourn for the following item:</i>		
Public Question Time: A period of 15 minutes will be allowed for members of the public to ask questions or make comment regarding the work of the Committee or other items that affect Totnes.		
<i>The Committee will convene to consider the following items:</i>		
2	To discuss any matters arising from the minutes of the last meeting (already agreed through Full Council).	None.
3	To consider the budget monitor and any virements needed	The budget monitor was considered and noted.
4	To consider the reviewed Standing Orders.	It was RECOMMENDED to Full Council that the amended Standing Orders with the new committee format was adopted.
5	To authorise complimentary spaces on the Mayoral Choosing Civic Lunch.	The complimentary spaces up to a value of £438.90 was AGREED .
6	To note the updated Market Square project timeline.	This was noted.
7	To note the transfer of residential properties to a managed letting service.	This was AGREED .
8	To note the Year End Accounts timeline.	This was noted.
9	To review earmarked reserves.	It was RECOMMENDED to Full Council that the Ear Marked Reserves remain the same as the 2017 levels.
10	To receive an update on the Neighbourhood Plan process.	Cllr R Adams explained that due to a delay with the JLP the NP would not be finalised until the end of the year.
11	To consider proposed expenditure on the Neighbourhood Plan.	<p>Cllr R Adams explained that the NP group are applying to Locality for funding towards the ecology report. She explained that it was important to have professional report detailing the public spaces. She estimated the cost of the report to be £6,000. It was agreed by the committee that this seemed very reasonable.</p> <p>It was RECOMMENDED to Full Council that expenditure on an ecology and open spaces report up to £6,000 be authorised, subject to the usual need for quotes detailed in Financial Regulations.</p> <p>It was noted that it may be difficult to get 3 like for like quotes for this specialist piece of work and that</p>

		<p>Operations may need to consider an exception to the financial regulations in due course.</p> <p>It was AGREED that up to £600 should be spent on a NP laptop that had audio recording ability to enable the Chair to complete the required administration.</p>
12	To consider a payment schedule for Caring Town Information Exchange grant 18/19.	<p>It was AGREED to release the grant of £15056 in 2 6 monthly payments.</p> <p>The Town Clerk will ask for an update on the Information Exchange for the June Full Council meeting.</p>
13	To consider a repayment of Cllr expenses that falls outside of usual policy.	The figure of £39 was AGREED .
14	To consider how to implement the Arts Council Mosaic project.	<p>It was AGREED to contract Tiffany Strawson as a freelance coordinator for the Arts Council project.</p> <p>It was AGREED to delegate authority to the Arts Working Group to decide which artist to use.</p> <p>It was AGREED that designs and locations of art in the square would go back through Full Council for consideration.</p>
15	To consider the matter of Common Graves.	It was AGREED that at the discretion of the Town Clerk, the family is permitted to make future interments of ashes only on production of a birth or marriage certificate to show a maternal/paternal/spousal link with the interred, without owning the exclusive right of burial and with no guarantee of future use. The family would be charged the appropriate interment fee and there would be no automatic right to erect a memorial.
16	To discuss a symbol of unity between Totnes and its twin town of Vire.	It was AGREED that up to £120 could be spent on an apple tree and plaque for Vire.
17	To note the date of the next meeting: Monday 21st May 2018 at 2pm.	Noted.
<p><i>The Council will be asked to RESOLVE to exclude the press and public "by reason of the confidential nature of the business" to be discussed and in accordance with the Public Bodies (Admission to Meetings) Act 1960.</i></p>		
18	To consider and agree the bank and petty cash reconciliations (confidential as contains personal information of payees)	These were noted and AGREED .
19	To note a confidential matter (confidential legal dispute)	Noted.



Catherine Marlton
Town Clerk

Detailed Income & Expenditure by Budget Heading 01/05/2018

Month No: 2

Cost Centre Report

	Actual Last Year	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
<u>101 ADMINISTRATION</u>								
1179 PAIGE ADAMS GRANT	0	0	16,040	16,040			0.0%	
1190 Events & Venues Income	225	0	0	0			0.0%	
6283 Car Park Permits	833	0	0	0			0.0%	
6284 Green Sacks Sales	13	0	0	0			0.0%	
ADMINISTRATION :- Income	<u>1,070</u>	<u>0</u>	<u>16,040</u>	<u>16,040</u>			<u>0.0%</u>	<u>0</u>
1101 Salaries and Pensions	134,062	13,295	200,332	187,037	187,037		6.6%	
1103 Staff Training and Travel	2,806	740	1,500	760	760		49.4%	
1105 Staff Eye Tests	99	0	300	300	300		0.0%	
1106 Staff Recruitment	805	0	1,500	1,500	1,500		0.0%	
1110 Utilities	2,262	204	2,250	2,046	2,046		9.1%	
1111 Office Supplies	974	(63)	2,000	2,063	2,063		(3.2%)	
1123 Photocopier	1,278	321	2,000	1,679	1,679		16.1%	
1156 Insurance	5,487	0	6,000	6,000	6,000		0.0%	
1160 Office Equipment	804	968	1,200	232	232		80.6%	
1167 Events & Venues Expenditure	1,072	0	525	525	525		0.0%	
1169 Car Park Permits	1,608	0	0	0	0		0.0%	
ADMINISTRATION :- Indirect Expenditure	<u>151,256</u>	<u>15,465</u>	<u>217,607</u>	<u>202,142</u>	<u>0</u>	<u>202,142</u>	<u>7.1%</u>	<u>0</u>
Movement to/(from) Gen Reserve	<u>(150,185)</u>	<u>(15,465)</u>						
<u>102 CIVIC AND DEMOCRATIC</u>								
1277 Civic Events	1,342	33	0	(33)			0.0%	
CIVIC AND DEMOCRATIC :- Income	<u>1,342</u>	<u>33</u>	<u>0</u>	<u>(33)</u>				<u>0</u>
1202 Mayoral Allowance	934	0	375	375	375		0.0%	
1205 Civic Events	5,262	427	5,750	5,323	5,323		7.4%	
1225 Civic Regalia	109	0	400	400	400		0.0%	
1231 Mayoral Travel	352	73	200	127	127		36.5%	
1232 Town Sergeant salary	724	0	0	0	0		0.0%	
1235 Councillor Training and Travel	600	129	750	622	622		17.1%	
1236 Professional Fees	8,646	85	4,500	4,415	4,415		1.9%	
1237 Elections	11,284	0	6,000	6,000	6,000		0.0%	
1238 Subscriptions	1,868	1,678	2,000	322	322		83.9%	
1240 Community Outreach	7,274	144	1,500	1,356	1,356		9.6%	
1241 Website and IT	892	270	1,500	1,230	1,230		18.0%	
1242 Councillor Allowances	2,876	0	6,000	6,000	6,000		0.0%	
CIVIC AND DEMOCRATIC :- Indirect Expenditure	<u>40,821</u>	<u>2,806</u>	<u>28,975</u>	<u>26,169</u>	<u>0</u>	<u>26,169</u>	<u>9.7%</u>	<u>0</u>
Movement to/(from) Gen Reserve	<u>(39,479)</u>	<u>(2,772)</u>						

Detailed Income & Expenditure by Budget Heading 01/05/2018

Month No: 2

Cost Centre Report

	Actual Last Year	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
201 TOURISM								
2182 Totnes Guide and Website	20,716	56	18,500	18,444			0.3%	
2183 Advertising	21	0	0	0			0.0%	
2185 Miscellaneous Retail Sales	34	0	0	0			0.0%	
TOURISM :- Income	<u>20,771</u>	<u>56</u>	<u>18,500</u>	<u>18,444</u>			<u>0.3%</u>	<u>0</u>
2101 Salaries and Pensions	12,636	12,636	13,000	364		364	97.2%	
2103 Destination Management	10,157	0	0	0		0	0.0%	
2106 Marketing	4,482	(432)	1,000	1,432		1,432	(43.2%)	
2113 Water	(16)	0	0	0		0	0.0%	
2114 Utilities	(82)	0	0	0		0	0.0%	
2115 Post and Telephone	43	0	0	0		0	0.0%	
2117 Mill Rent	(563)	0	0	0		0	0.0%	
2161 Bank Charges	60	0	0	0		0	0.0%	
2177 Totnes Guide and Website	19,103	(30)	22,000	22,030		22,030	(0.1%)	
TOURISM :- Indirect Expenditure	<u>45,820</u>	<u>12,174</u>	<u>36,000</u>	<u>23,826</u>	<u>0</u>	<u>23,826</u>	<u>33.8%</u>	<u>0</u>
Movement to/(from) Gen Reserve	<u>(25,049)</u>	<u>(12,118)</u>						
301 GUILDHALL								
3181 Admissions	5,210	0	4,750	4,750			0.0%	
3182 Retail Sales	79	0	0	0			0.0%	
3183 Hire Charges	4,462	0	2,750	2,750			0.0%	
GUILDHALL :- Income	<u>9,751</u>	<u>0</u>	<u>7,500</u>	<u>7,500</u>			<u>0.0%</u>	<u>0</u>
3101 Cleaning	2,437	3	2,000	1,997		1,997	0.2%	
3103 Building Maintenance	1,835	0	4,000	4,000		4,000	0.0%	
3112 Business Rates	5,702	588	5,575	4,987		4,987	10.5%	
3113 Water	136	0	200	200		200	0.0%	
3114 Utilities	544	43	2,000	1,957		1,957	2.2%	
3115 Staff Costs	1,644	0	0	0		0	0.0%	
3122 Equipment Maintenance	1,577	39	2,000	1,961		1,961	1.9%	
3125 Marketing and Licences	0	1,509	1,750	241		241	86.2%	
GUILDHALL :- Indirect Expenditure	<u>13,875</u>	<u>2,182</u>	<u>17,525</u>	<u>15,343</u>	<u>0</u>	<u>15,343</u>	<u>12.5%</u>	<u>0</u>
Movement to/(from) Gen Reserve	<u>(4,123)</u>	<u>(2,182)</u>						
302 CIVIC HALL								
3279 Feed in Tariff	4,696	(2,046)	5,000	7,046			(40.9%)	
3281 Water	0	0	210	210			0.0%	
3282 Paige Adams Grant	0	0	17,000	17,000			0.0%	
CIVIC HALL :- Income	<u>4,696</u>	<u>(2,046)</u>	<u>22,210</u>	<u>24,256</u>			<u>(9.2%)</u>	<u>0</u>

	Actual Last Year	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
3201 Caretaking	12,870	836	17,000	16,164		16,164	4.9%	
3202 Feed in Tariff	1,620	0	2,500	2,500		2,500	0.0%	
3213 Water	1,537	0	2,000	2,000		2,000	0.0%	
3214 Utilities	4,070	477	4,250	3,773		3,773	11.2%	
3220 Caretaking Supplies	1,187	(105)	0	105		105	0.0%	
3222 Building Maintenance	4,656	(1,098)	14,000	15,098		15,098	(7.8%)	
3250 Licences	964	0	2,000	2,000		2,000	0.0%	
3251 Miscellaneous Expenditure	176	0	400	400		400	0.0%	
3252 Equipment Maintenance	6,488	171	4,000	3,829		3,829	4.3%	
CIVIC HALL :- Indirect Expenditure	33,568	281	46,150	45,869	0	45,869	0.6%	0
Movement to/(from) Gen Reserve	(28,872)	(2,327)						
303 PROPERTY MAINTENANCE								
3381 Museum Rent	1	0	1	1			0.0%	
3382 Guildhall Cottage Income	10,200	850	9,350	8,500			9.1%	
3383 Garage Rental Income	330	0	0	0			0.0%	
3384 Eastgate Clock Rental Income	3	0	2	2			0.0%	
3385 Flat 5A Rental Income	8,340	695	8,250	7,555			8.4%	
PROPERTY MAINTENANCE :- Income	18,874	1,545	17,603	16,058			8.8%	0
3303 Guildhall Cottage Maintenance	667	0	2,000	2,000		2,000	0.0%	
3305 Eastgate Clock Rent	600	0	0	0		0	0.0%	
3306 Eastgate Clock Utilities	166	14	0	(14)		(14)	0.0%	
3308 Eastgate Clock Maintenance	120	0	0	0		0	0.0%	
3309 St John's Clock Maintenance	145	0	0	0		0	0.0%	
3310 St Mary's Clock Maintenance	945	0	0	0		0	0.0%	
3311 Flat 5A Loan Repayment	9,148	0	9,150	9,150		9,150	0.0%	
3312 Flat 5A Maintenance	767	0	2,000	2,000		2,000	0.0%	
3314 Guildhall Office Maintenance	501	0	500	500		500	0.0%	
3315 Rental Property Management Fee	0	0	1,760	1,760		1,760	0.0%	
3316 Town Clocks	0	0	2,050	2,050		2,050	0.0%	
3321 Museum Maintenance	945	0	4,000	4,000		4,000	0.0%	
PROPERTY MAINTENANCE :- Indirect Expenditure	14,004	14	21,460	21,446	0	21,446	0.1%	0
Movement to/(from) Gen Reserve	4,870	1,531						
401 CEMETERY								
4181 Interment Fees	5,683	0	0	0			0.0%	
4182 Memorials	753	0	0	0			0.0%	
4184 Grant of Rights	2,085	0	0	0			0.0%	
4185 Cemetery Fees	0	980	7,500	6,520			13.1%	
CEMETERY :- Income	8,521	980	7,500	6,520			13.1%	0

Detailed Income & Expenditure by Budget Heading 01/05/2018

Month No: 2

Cost Centre Report

	Actual Last Year	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
4112 Business Rates	3,266	358	3,500	3,142		3,142	10.2%	
4113 Water	139	0	150	150		150	0.0%	
4121 Grounds Maintenance	23,084	1,380	30,000	28,620		28,620	4.6%	
4122 Works and Maintenance	229	14	5,000	4,986		4,986	0.3%	
4123 Chapel	66	0	500	500		500	0.0%	
CEMETERY :- Indirect Expenditure	26,784	1,752	39,150	37,398	0	37,398	4.5%	0
Net Income over Expenditure	(18,263)	(772)	(31,650)	(30,878)				
6000 plus Trf from EMR	4,437	0						
Movement to/(from) Gen Reserve	(13,826)	(772)						
501 OPEN SPACES								
5180 Castle Meadow Rents	210	0	210	210			0.0%	
OPEN SPACES :- Income	210	0	210	210			0.0%	0
5101 Ramparts Walk	599	0	900	900		900	0.0%	
5102 St Mary's Churchyard	1,059	0	900	900		900	0.0%	
5103 Castle Meadow Water	46	0	0	0		0	0.0%	
5106 Castle Meadow	0	0	750	750		750	0.0%	
OPEN SPACES :- Indirect Expenditure	1,705	0	2,550	2,550	0	2,550	0.0%	0
Movement to/(from) Gen Reserve	(1,495)	0						
602 PRECEPT AND INCOME								
6280 Precept	344,527	177,820	355,640	177,820			50.0%	
6281 Council Tax Grant	24,659	22,230	22,230	0			100.0%	
6282 Charity of Paige Adams	131	0	0	0			0.0%	
PRECEPT AND INCOME :- Income	369,317	200,050	377,870	177,820			52.9%	0
6202 Bank Charges	222	8	300	292		292	2.5%	
PRECEPT AND INCOME :- Indirect Expenditure	222	8	300	292	0	292	2.6%	0
Movement to/(from) Gen Reserve	369,095	200,042						
701 COMMUNITY DEVELOPMENT								
7580 Community Projects	3,165	(3,118)	0	3,118			0.0%	
7581 Neighbourhood Plan	15,000	0	0	0			0.0%	
COMMUNITY DEVELOPMENT :- Income	18,165	(3,118)	0	3,118				0
7501 Community Projects	8,255	7,840	51,366	43,526		43,526	15.3%	
7502 Neighbourhood Plan	8,833	0	12,517	12,517		12,517	0.0%	
7503 Arts and Culture	12,906	0	2,842	2,842		2,842	0.0%	

Detailed Income & Expenditure by Budget Heading 01/05/2018

Month No: 2

Cost Centre Report

	Actual Last Year	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
7504 Local Info & Support Service	20,035	0	0	0		0	0.0%	
7505 Tourism	4,384	0	0	0		0	0.0%	
7506 Heritage	11,300	0	0	0		0	0.0%	
7507 Visitor Information Officer	4,955	0	0	0		0	0.0%	
COMMUNITY DEVELOPMENT :- Indirect Expenditure	70,668	7,840	66,725	58,885	0	58,885	11.7%	0
Movement to/(from) Gen Reserve	(52,502)	(10,958)						
Grand Totals:- Income	452,718	197,501	467,433	269,932			42.3%	
Expenditure	398,721	42,522	476,442	433,920	0	433,920	8.9%	
Net Income over Expenditure	53,997	154,979	(9,009)	(163,988)				
plus Trf from EMR	4,437	0						
Movement to/(from) Gen Reserve	58,434	154,979						

Local Councils, Internal Drainage Boards and other Smaller Authorities in England

Annual Governance and Accountability Return 2017/18 Part 3

To be completed by:

- all smaller authorities* where either the higher of gross income or gross expenditure exceeded £25,000 but did not exceed £6.5 million; and
- any other smaller authorities that either:
 - are unable to certify themselves as exempt; or
 - have requested a limited assurance review.

Guidance notes on completing Part 3 of the Annual Governance and Accountability Return 2017/18

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 **before 2 July 2018**.
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 requesting a limited assurance review, **must** send to the external auditor:
 - the Annual Governance and Accountability Return Sections 1, 2 and 3, together with
 - a bank reconciliation as at 31 March 2018
 - an explanation of any significant year on year variances in the accounting statements
 - your notification of the commencement date of the period for the exercise of public rights
 - Annual Internal Audit Report 2017/18

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

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

Publication Requirements

Smaller authorities with either income or expenditure exceeding £25,000 **must** publish on a public website, under the Accounts and Audit Regulations 2015, the Annual Governance and Accountability Return:

- **Section 1 – Annual Governance Statement 2017/18**, page 4
- **Section 2 – Accounting Statements 2017/18**, page 5
- **Section 3 – The External Auditor Report and Certificate 2017/18**, page 6
- Notice of the period for the exercise of public rights and other information required by Regulation 15 (2), Accounts and Audit Regulations 2015.

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 Local Audit and Accountability Act 2014.*

Guidance notes on completing Part 3 of the Annual Governance and Accountability Return 2017/18

- 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. Avoid making amendments to the completed Annual Governance and Accountability Return. Any amendments must be approved by the authority, properly initialled and accompanied by an explanation. 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 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 sending it to the external auditor.
- Do not send the external auditor any information not specifically requested. However, you **must** inform your external auditor about any change of Clerk, Responsible Finance 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 explanation.
- If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or variances are not fully explained, additional costs will be incurred.
- Make sure that the accounting statements add up and that the balance carried forward from the previous year (Box 7 of 2017) equals the balance brought forward in the current year (Box 1 of 2018).
- Please enter the authority's name **only** in Section 3 on Page 6. **Do not complete the remainder of that section**, which is reserved for the external auditor.
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the commencement date for the exercise of public rights. From the commencement date for a single period of 30 consecutive working days, the 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.

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 the dates set for the period for the exercise of public rights, been provided for the external auditor?		
Internal Audit Report	Have all highlighted boxes have 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?		
	The bank reconciliation as at 31 March 2018 is agreed 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 is a sole managing trustee? NB: do not send trust accounting statements unless requested or instructed.		

*More guidance on completing this annual return is available in **Governance and Accountability for Smaller Authorities In England – a Practitioners' Guide to Proper Practices**, which can be downloaded from www.nalc.gov.uk or from www.slcc.co.uk or from www.ada.org.uk

Annual Internal Audit Report 2017/18

TOTNES TOWN COUNCIL

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 2018.

The internal audit for 2017/18 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. (For local councils only)			
Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

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

14 + 15th May 2018

Name of person who carried out the internal audit

N. ARCHER, for AUDITING SOLUTIONS LTD

Signature of person who carried out the internal audit

N. S. Archer

Date: 15/05/2018

*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 2017/18

We acknowledge as the members of:

TOTNES 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 2018, that:

	Agreed		"Yes" means that this authority:
	Yes	No	
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 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. Describe how the authority will address the weaknesses identified.

This Annual Governance Statement is approved by this authority and recorded as minute reference:

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

Chairman

Clerk

dated

Other information required by the Transparency Codes (not part of Annual Governance Statement)
 Authority web address

Section 2 – Accounting Statements 2017/18 for

TOTNES TOWN COUNCIL

	Year ending		Notes and guidance
	31 March 2017 £	31 March 2018 £	
1. Balances brought forward	280829	291175	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	300953	344527	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	119105	108191	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	156935	154021	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.
5. (-) Loan interest/capital repayments	9148	9148	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	243629	235553	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	291175	345171	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	247215	379711	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	360905	360905	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	70057	64602	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	The Council acts as sole trustee for and is responsible for managing Trust funds or assets.
		✓	N.B. The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2018 the Accounting Statements in this Annual Governance and Accountability Return present fairly the financial position of this authority and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer

Date

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

and recorded as minute reference:

Signed by Chairman of the meeting where approval of the Accounting Statements is given

Section 3 – External Auditor Report and Certificate 2017/18

In respect of

TOTNES TOWN COUNCIL

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 2018; 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 2017/18

(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 2017/18

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 2018.

*We do not certify completion because:

External Auditor Name

External Auditor Signature

Date

*Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews for 2017/18 in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)