



**AGENDA FOR THE MEETING OF COUNCIL MATTERS  
MONDAY 8<sup>TH</sup> JUNE 2020 AT 7PM – HELD REMOTELY USING ZOOM**

MEETING LINK: <https://zoom.us/j/97196712740?pwd=NDNlMS9SR3FjQ1EyWVJqaXl5ciR5QT09>  
MEETING ID: 971 9671 2740

PLEASE CONTACT THE TOWN CLERK ON [CLERK@TOTNESTOWNCOUNCIL.GOV.UK](mailto:CLERK@TOTNESTOWNCOUNCIL.GOV.UK)  
TO RECEIVE THE MEETING PASSWORD AT LEAST TWO HOURS PRIOR TO THE MEETING.

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You are hereby SUMMONED to attend the **Council Matters Committee**, which is to be held using remote meeting service Zoom on **Monday 8<sup>th</sup> June 2020 at 7pm** for the purpose of transacting the following business:

**Committee Members:** Councillors E Price (Chair), M Adams (Deputy Chair), J Hodgson, P Paine, C Luker, B Piper.

**1. APOLOGIES FOR ABSENCE**

To receive apologies and to confirm that any absence has the approval of the Committee.

*The Committee will adjourn for the following items:*

**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.

*The Committee will convene to consider the following items:*

**2. CONFIRMATION OF MINUTES**

To update on any matters arising from the minutes of 9<sup>th</sup> March 2020. (Note: already agreed through Full Council.) Document enclosed.

**3. BUDGET MONITOR**

To consider the current year's budget allocations, budget monitor, balances and forecast. (already noted at Full Council 2<sup>nd</sup> March 2020). Document enclosed.

**4. NEIGHBOURHOOD PLAN**

To receive an update on the Neighbourhood Plan (standing item). Document enclosed.

**5. STANDING ORDERS AND COUNCIL PRIORITIES**

To consider a timeline and process for reviewing the Town Council's priorities and Standing Orders. Document to follow.

**6. INTERNAL AUDIT AND AGAR**

To consider the AGAR and internal audit report for recommendation to Full Council. Documents enclosed.

**7. ARTS BUDGET**

To consider a small allocation of funds for arts related activities during the COVID-19 pandemic. Verbal update.

**8. INSURANCE RENEWAL**

To note the insurance renewal cost and conditions regarding consideration. Verbal update.

**9. FOLLATON CEMETERY**

To note an update on communication with the maintenance contractor. Verbal update.

*The Committee 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. (CONFIDENTIAL by virtue of relating to legal and/or commercial matters, staffing and/or the financial or business affairs of a person or persons other than the Council)*

**10. FUNDING REQUEST**

To consider a funding request and staffing secondment to Totnes Caring. Document enclosed.

**11. STAFF BUDGET**

To consider and sign (Clerk and Chair) the 2020/21 staffing budget (updated). Document enclosed.

**12. STAFF UPDATE**

To note a general staff update. Verbal update.

**13. BANK RECONCILIATION**

To consider and agree the bank and petty cash reconciliations. Document enclosed.

**14. DATE OF NEXT MEETING**

To note the date of the next meeting of the Council Matters Committee – Monday 13<sup>th</sup> July at 7.00pm.

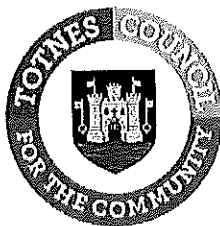
Catherine Marlton  
Town Clerk

**USE OF SOUND RECORDINGS AT COUNCIL & COMMITTEE MEETINGS**

The open proceedings of this Meeting will be audio and video recorded. If members of the public make a representation, they will be deemed to have consented to being recorded. By entering the Council Chamber or Zoom meeting, attendees are also consenting to being recorded.

Televised, vision and sound recordings or live broadcastings by members of the press or public at Council or Committee debates are permitted and anyone wishing to do so is asked to inform the Chairman of the respective Committee of their intention to record proceedings.





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**2. CONFIRMATION OF MINUTES**

**MINUTES FOR THE COUNCIL MATTERS COMMITTEE  
MONDAY 9<sup>TH</sup> MARCH 2020 AT THE GUILDHALL TOTNES**

Present: Cllr E Price (Chair), Cllr C Allford, Cllr P Paine, Cllr J Hodgson, Cllr Piper, Cllr Adams, Cllr Luker  
Not present: Cllr Simms  
Present: Catherine Marlton (Town Clerk).

No	Subject	Comments
1	To receive apologies and to confirm that any absence has the approval of the Council.	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.	None.
<i>The Committee will convene to consider the following items:</i>		
2	To discuss any matters arising from the minutes of: Council Matters 10 <sup>th</sup> February 2020 - (already agreed through Full Council)	None.
3	To consider the current year's budget allocations, budget monitor, balances and forecast. (already noted at Full Council 2 <sup>nd</sup> March 2020)	The current year budget monitor was considered and <b>AGREED</b> unanimously.
4	To consider recruitment timelines for the following positions: a) Town Maintenance Officer - extension b) Green Travel Coordinator	This was unanimously <b>AGREED</b> .

5	To consider Community Traffic Management Training and Chapter 8.	It was <b>AGREED</b> to fund the Community Traffic Training and invite partner agencies to fill any empty spaces, at cost.
6	To note any update of items or proposed expenditure from the Venues Working Group.	Noted.
7	To note any update or proposed items of expenditure from the Arts Working Group.	Noted and the proposed expenditure <b>AGREED</b> . It was noted that Cllr Allford was also present but not recorded in the notes.
8	To note any update or proposed items of expenditure from the Public Realm Working Group a) Bank Lane update b) Town Mill signage update	Update noted, no expenditure.
9	To note the draft Christmas Events debrief document (emailed to all Councillors) and budget.	Noted.
10	To receive an update on the Neighbourhood Plan (standing item).	None.
11	To consider writing to support the Littlehempston Cycle Path.	This was <b>AGREED</b> . Councillor Hodgson to forward a letter to the Town Clerk to send on from the Council Matters committee.
12	a) To review the Payments to Councillors Policy.	It was <b>RECOMMENDED</b> to Full Council that Payments to Councillors policy be adopted. It was noted that receipts for Mayoral expenditure were now required in lieu of the Mayoral Allowance.
13	To consider a request from Cllr Luker for an audit to be completed of the Guildhall contents.	It was <b>RECOMMENDED</b> to Full Council that 4 authorised personnel are allowed to enter the Guildhall to undertake the audit with a limited remit. The Town Clerk would formalise this in writing by email.
14	To note the proposed timeline for the Market Square project.	Noted.  It was <b>RECOMMENDED</b> to Full Council that the old section of the building attached to the Civic Hall is converted as

		outlined in the plans for the purposes of Town Council Offices/HQ It is <b>RECOMMENDED</b> to Full Council that the Town Clerk continues with the Market Square and Civic Hall projects as outlined in the project plan and has delegated authority to spend on professional surveys up to £12300 as detailed.
15	To consider a plan for how to operate the Town Council offices in the case of the Coronavirus outbreak significantly worsening.	The proposal was noted and <b>AGREED</b> as comprehensive.
16	To consider an end date for the Castle Meadow lease.	It was <b>AGREED</b> to wait until the Strategic Planning session had taken place before formalising an end date.
17	To note the new Guildhall Booking form for Councillor use.	Noted. Councillors <b>AGREED</b> this was essential.
18	To consider the proposed breakdown for the 2020/21 Totnes Gardens budget allocation.	This was unanimously <b>AGREED</b> .
19	a) To consider a timeline and process for reviewing the Town Council's priorities and Standing Orders.	The timeline was <b>AGREED</b> .
<i>The Committee will be asked to <b>RESOLVE</b> 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>		
20	To consider and agree the bank and petty cash reconciliations. ( <i>CONFIDENTIAL by virtue of relating to legal and/or commercial matters, staffing and/or the financial or business affairs of a person or persons other than the Council</i> )	The reconciliations were unanimously <b>AGREED</b> .
21	To consider and sign (Clerk and Chair) the 2019/20 staffing budget (updated). ( <i>CONFIDENTIAL by virtue of relating to legal and/or commercial matters, staffing and/or the financial or business affairs of a person or persons other than the Council</i> )	This was unanimously <b>AGREED</b> .
22	To receive a general staff update. ( <i>CONFIDENTIAL by virtue of relating to legal and/or commercial matters, staffing and/or the financial or business affairs of a person or persons other than the Council</i> )	Noted.

23	To consider the uses and layout of the Civic Hall spaces. <i>(CONFIDENTIAL by virtue of relating to legal and/or commercial matters, staffing and/or the financial or business affairs of a person or persons other than the Council)</i>	Recommendations as above.
24	To consider a request from Transition Town Totnes for an interim payment on the agreed contribution towards core costs. This was agreed at 2 <sup>nd</sup> March 2020 Full Council. <i>(CONFIDENTIAL by virtue of relating to legal and/or commercial matters, staffing and/or the financial or business affairs of a person or persons other than the Council)</i>	It was <b>RECOMMENDED</b> to Full Council to allow the interim payment as requested by TTT in advance of the outcome of the grant application. The remainder would be dependant on the success of the bid.
25	To note the new employment contract format which will be issued to all staff members. <i>(CONFIDENTIAL by virtue of relating to legal and/or commercial matters, staffing and/or the financial or business affairs of a person or persons other than the Council)</i>	Noted.
26	To note an issue regarding standing order payments. <i>(CONFIDENTIAL by virtue of relating to legal and/or commercial matters, staffing and/or the financial or business affairs of a person or persons other than the Council)</i>	Noted.
27	<b>CANCELLED BECAUSE OF THE COVIC-19 PANDEMIC</b>	

### 3. BUDGET MONITOR

Document circulated separately.

### 4. NEIGHBOURHOOD PLAN

From Cllr Luker

**To bring everyone up to date:**

- a) Still waiting for Lee / Steve's final suggestions on SHDC comments on Reg 14 NP document.
- b) Have since chased Lee and he hopes to have response to us by next week
- c) Claire suggested Forward section should be signed by TTC, rather than me. That's fine so will change when document redrafted.
- d) Plan is to get Reg.15 document out sometime in June for NP Working Group to finalize beginning of July.

e) Emily reported that Georgina felt some of her work had been deleted. If Georgina could check the Response Report that Sara has produced (already circulated) as there may have been wording that has been deleted on advice from SHDC / Lee & Steve. Otherwise send me a list and I will look back over meeting minutes, etc.

f) Claire reported that Chris Watson has some points to raise. I have not received anything but will email him and ask for details.

g) Once final document is ready (including some maps that need revamping by person at SHDC) this will be submitted to SHDC for the independent examiner process.

h) if approved by the examiner then a referendum will be held but this will not be until 2021 unless the rules on elections change before then.

#### **5. STANDING ORDERS**

Document to follow.

#### **6. AUDIT AND AGAR**

Document circulated separately.

**ITEMS 10, 11, 13 ARE CONFIDENTIAL AND WILL BE CIRCULATED SEPERATELY**



**AUDITING SOLUTIONS LTD**

ITEM 6 - AUDIT +  
AGAR

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## **Totnes Town Council**

*Internal Audit Report: 2019-20*

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*Chris Hall*

*Consultant*

*For and on behalf of  
Auditing Solutions Ltd*



## Detailed Report

### Maintenance of Accounting Records & Bank Reconciliations

Our objective here is to ensure that the accounting records are being maintained accurately and currently and that no anomalous entries appear in cashbooks or financial ledgers. The Council uses the RBS Rialtas Omega accounting software to maintain its financial and management accounting records, and we have analysed that system to agree the totals reported on the 2019/20 AGAR.

We note that all financial management issues, including checking bank reconciliations, are delegated to the Council Matters Committee for detailed scrutiny, with the Minutes of that Committee subsequently being approved by Full Council.

We are concerned to note that, apart from minor Petty Cash holdings, all of the Council's funds are currently held in a single Current Account with HSBC, on which no interest is earned. The closing balance at 31 March 2020 stands at £480,140, with a large receipt due in April for the first tranche of the 2020/21 Precept. The total, therefore, exceeds the €500,000 (approximately £446,000 at the time of writing) guaranteed by the Financial Services Compensation Scheme, which means that Public funds are being placed at unnecessary risk, albeit low with regard to the financial strength of HSBC.

We have queried this with the Clerk, and have been informed that these sums are being held with regard to significant capital expenditure (a property renovation) which has been delayed due to the Covid-19 pandemic. We have also been told that, once work on that project has been costed and commenced, surplus funds will be invested with CCLA.

Nevertheless we feel that, until this situation is resolved, balances should be invested in a suitable range of instant access deposit accounts with other High Street financial institutions, in order to spread the risk and obtain some level of interest earnings while not constraining the Council's desire to obtain funds quickly once construction work commences.

#### *Conclusions and recommendation (Medium Risk)*

*R1. The Council should reconsider its current policy of holding large amounts in a single Current Account, in order to reduce risk and optimise interest earnings without curtailing its desire for quick access to funds for proposed capital expenditure.*

### Review of Corporate Governance

Our objective is to ensure that the Council has a robust series of corporate governance documentation in place; that Council and Committee meetings are conducted in accordance with the adopted Standing Orders and that, as far as we are reasonably able to ascertain, no actions of a potentially unlawful nature have been or are being considered for implementation. We have:

- Reviewed the minutes of the Full Council and its Standing Committees for the financial year to identify whether any issues exist that may have an adverse effect on the Council's future financial stability, either in the short, medium or longer term;

## *Conclusions*

*No issues have been identified in this area warranting formal comment or recommendation.*

## **Assessment and Management of Risk**

Our aim here is to ensure that the Council has put in place appropriate arrangements to identify all potential areas of risk of both a financial and health and safety nature, whilst also ensuring that appropriate arrangements exist to monitor and manage those risks in order to minimise the opportunity for their coming to fruition.

We note the ongoing maintenance of two lever arch files containing both financial and management risk assessments together with those affecting specific services. We also note that these were reviewed by the Council Matters Committee in September 2019 but, again, there is not a clear reference to their subsequent adoption by Full Council in the published Minutes and supporting documents. The approval of risk is an issue for Full Council in accordance with Financial Regulation 16.

We note that the Council's insurance cover continues to be provided by Aviva (via brokers, WPS) and have examined the current policy schedule to ensure that appropriate cover remains in place; we note that Public Liability cover is set at £15 Million and Employer's Liability cover at £10 Million. Fidelity Guarantee cover has been increased to £500,000, but that level is likely to be exceeded with regard to both the current balances and the receipt of Precept tranches, as referred to above.

### *Conclusions and recommendations (Low Risk)*

*R4. The Council should ensure that it formally and clearly adopts the risk assessments reviewed by the Council Matters Committee, to comply with Financial Regulations.*

*R5. The level of Fidelity Guarantee insurance cover should be kept under appropriate review.*

## **Budgetary Control & Reserves**

Our objective here is to ensure that the Council has a robust procedure in place for identifying and approving its future budgetary requirements and level of precept to be drawn down from the District Council; also, that an effective reporting and monitoring process is in place. We also aim to ensure that the Council retains appropriate funds in general and earmarked reserves to finance its ongoing spending plans, whilst retaining appropriate sums to cover any unplanned expenditure that might arise.

The ongoing monitoring of budgets has been delegated to the Council Matters Committee, and there is clear evidence that this is regularly undertaken on behalf of the Council.

While we note that a robust budget setting exercise was undertaken by the Council Matters Committee in December 2019, subsequently amended and approved by Full Council in January 2020, we are unable to see a clear proposal for the 2020/21 Precept in numbers, but only as a percentage increase.

## **Asset Register / Inventory**

The "Governance and Accountability Manual – The Practitioner's Guide", requires all councils to maintain a detailed register of their assets. We aim in examining this aspect of the Council's documentation to ensure that the Council has complied with that legislation; that an appropriate and comprehensive register is being maintained and that it is subject to periodic review and update.

We note that a clear register is kept using a spreadsheet, the total of which agrees to the AGAR. The recorded asset value has not changed in some years, and contains a number of potentially high value items, such as Buildings and Civic Regalia, recorded with a notional value of £1. While this is the correct treatment, assurance has been sought from the Clerk that the Council has been unable to determine an original purchase cost for these items, or that the item was originally a gift or donation.

### ***Conclusions***

*No issues have been identified to warrant formal recommendation in this area.*

## **Investments and Loans**

We note the existence of one PWLB loan which is being repaid half-yearly and have verified the repayments by reference to the PWLB demands as part of our aforementioned payment examination. We have also verified the accurate disclosure of the residual year-end loan liability in the AGAR by reference to the PWLB website detail of all council balances as at 31<sup>st</sup> March 2020.

We have already made comments above on the safe investment of, and the lack of interest earnings from, the Council's funds.

### ***Conclusions***

*No issues have been identified to warrant formal recommendation in this area.*

## **Statement of Account and AGAR**

The AGAR now incorporates the Council's Annual Accounts subject to external audit scrutiny and verification.

### ***Conclusions***

*There are no matters in this area of our review process and we have duly signed off the Internal Audit Certificate at Page 3 of the AGAR, assigning positive assurances in all relevant categories.*

Rec Recommendation No.	Response
<p>R1 (<i>Accounting Records and Bank Reconciliations</i>) The Council should reconsider its current policy of holding large amounts in a single Current Account, in order to reduce risk and optimise interest earnings without curtailing its desire for quick access to funds for proposed capital expenditure. (Medium Risk)</p>	<p>This will be considered.</p>
<p>R2 (<i>Corporate Governance</i>) The current and subsequent versions of the Council's Financial Regulations should be clearly adopted by the Full Council. (Low Risk)</p>	<p>It is felt that this is already done via the Full Council's adoption of the Council Matters minutes where the Financial Regulations are reviewed, but we will note is separately in future to make it clearer for the reader.</p>
<p>R3 (<i>Corporate Governance</i>) Consideration should be given to clearly linking Transparency Code information on the website, and ensuring that all downloads are in PDF format. (Low Risk)</p>	<p>It is felt that the information is clearly identifiable on our website. We will aim to include documents as PDFs.</p>
<p>R4 (<i>Management of Risk</i>) The Council should ensure that it formally and clearly adopts the risk assessments reviewed by the Council Matters Committee, to comply with Financial Regulations. (Low Risk)</p>	<p>It is felt that this is already done via the Full Council's adoption of the Council Matters minutes where the Risk Assessments are reviewed, but we will note is separately in future to make it clearer for the reader.</p>
<p>R5 (<i>Management of Risk</i>) The level of Fidelity Guarantee insurance cover should be kept under appropriate review. (Low Risk)</p>	<p>To be kept under review.</p>

# Annual Governance and Accountability Return 2019/20 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 that:
  - 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 2019/20

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 2020**.
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) **no later than 30 June 2020**. Reminder letters will incur a charge of £40 +VAT:
  - the Annual Governance and Accountability Return Sections 1 and 2, together with
  - a bank reconciliation as at 31 March 2020
  - 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 2019/20

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 limited assurance review and is able to give an opinion, 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 2020 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 2019/20**, approved and signed, page 4
- **Section 2 - Accounting Statements 2019/20**, approved and signed, page 5

Not later than 30 September 2020 authorities **must** publish:

- Notice of conclusion of audit
- **Section 3 - External Auditor Report and Certificate**
- **Sections 1 and 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 2019/20

- 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 (no highlighted boxes left empty), 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 AGAR 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 before approving the annual governance statement and 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) no later than 30 June 2020.
- 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 2019) equals the balance brought forward in the current year (Box 1 of 2020).
- 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 2020.

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 been completed by the internal auditor and explanations provided?	✓	
Section 1	For any statement to which the response is 'no', has an explanation been published?	✓	
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 published?	✓	
	Has the bank reconciliation as at 31 March 2020 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? NB: 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 2019/20

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 2020.

The internal audit for 2019/20 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H. Asset and investments registers were complete and accurate and properly maintained.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I. Periodic and year-end bank account reconciliations were properly carried out.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
K. IF the authority certified itself as exempt from a limited assurance review in 2018/19, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2018/19 AGAR tick "not covered")	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
L. The authority has demonstrated that during summer 2019 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
M. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

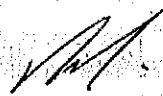
Date(s) internal audit undertaken

21/05/2020

Name of person who carried out the internal audit

Chris Hall for Auditing Solutions Ltd

Signature of person who carried out the internal audit



Date 21/05/2020

\*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 2019/20

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 2020, 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, 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 must be published with the Annual Governance Statement.

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

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

and recorded as minute reference:

Chairman

Clerk

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

[www.totnestowncouncil.gov.uk](http://www.totnestowncouncil.gov.uk)



## Section 2 – Accounting Statements 2019/20 for

TOTNES TOWN COUNCIL

	Year ending		Notes and guidance
	31 March 2019 £	31 March 2020 £	
1. Balances brought forward	345171	353112	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	355640	494000	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	116675	130575	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	203302	236698	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
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	251924	262228	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	353112	469613	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	363563	480183	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	58850	52785	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, as a body corporate, 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 2020 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:

Date

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

as recorded in minute reference:

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

## Section 3 – External Auditor Report and Certificate 2019/20

TOTNES TOWN COUNCIL

In respect of

### 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 2020; 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 2019/20

(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 2019/20

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 2020.

\*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 in Auditor Guidance Note AGN/02. The AGN is available from the NAO website ([www.nao.org.uk](http://www.nao.org.uk))