



Redruth Civic Centre, Alma Place, Redruth, Cornwall TR15 2AT

Tel No: 01209-210038 e-mail: admin@redruth-tc.gov.uk

Town Mayor: Cllr M J Brown

Town Clerk: P B Bennett

See Distribution

Our Reference:

RTC/460/2/Mtg

Date:

16th November 2022

Dear Councillor

Finance Committee Meeting – 21st November 2022

You are summoned to attend a Meeting of the Redruth Town Council Finance Committee to be held which will be held in the Langman Room, Redruth Civic Centre, Alma Place, on Monday 21st November 2022, commencing at 7 p.m.

The Agenda and associated papers are enclosed for your reference and information.

Yours sincerely

A handwritten signature in black ink, appearing to be 'PB', followed by a horizontal line.

Peter Bennett
Town Clerk

Enclosures:

Agenda and associated documentation.

Distribution:

Action:

Cllr Barnes
Cllr Biscoe
Cllr Mrs Biscoe
Cllr Brown
Cllr Craze
Cllr Ms Reeve
Cllr Thomas
Cllr Tremayne

Information:

All other Town Councillors
Press & Public

Redruth Town Council
Finance Committee Meeting – 21st November 2022
AGENDA

PART I – PUBLIC SESSION

1. To receive apologies for absence.
2. Members to declare any disclosable pecuniary interests or non-registerable interests (including details thereof) in respect of any item(s) on this Agenda.
3. *To suspend Standing Orders to allow the public to speak.*
4. To allow the public to put questions to the Council on any item on this agenda.
5. *To reinstate Standing Orders.*
6. To confirm the Minutes of the:
 - 6.1 Meeting of the Finance Committee held on 18th July 2022. [Minutes attached]
7. Town Clerk's Report. [See report attached]
8. To review Income/Expenditure for the period ending September 2022. [See schedule attached]
9. To receive a report from Committee Members responsible for carrying out Internal Control Checks for Q2 2022-2023.
10. To receive an Interim Internal Audit Report from Independent Internal Auditor for FY 2022-2023. [See report attached]
11. To review the effectiveness of our system of internal audit. [See report attached]
12. To approve Financial Risk Assessment. [See report attached]
13. To consider requests for financial assistance. [See schedule attached]



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Town Mayor: Cllr M J Brown

Town Clerk: P B Bennett

Minutes of a Meeting of the Redruth Town Council Finance Committee held at Redruth Civic Centre, Alma Place, Redruth on Monday 18th July 2022

Present:

Cllr S Barnes
Cllr Mrs A Biscoe
Cllr H Biscoe
Cllr M Brown
Cllr Craze
Cllr I Thomas

Chairman

In attendance:

P B Bennett
S J Treloar
Ms I Martin

Town Clerk & RFO
Admin & Finance Officer
Redruth Community Assoc

PART I – PUBLIC SESSION

1479.1 To receive apologies for absence.

1479.1.1 Apologies were received from Cllrs Reeve (other commitments) and Tremayne (unwell).

1479.2 Members to declare any disclosable pecuniary interests or non-registerable interests (including details thereof) in respect of any item(s) on this Agenda.

1479.2.1 Cllr Barnes declared an interest in agenda item 14.1 as he is the Chairman of the Redruth Community Association who are submitting the request for financial assistance. Cllr Craze declared an interest in agenda item 14.1 as he is a Member of the Redruth Community Association committee.

1479.3 To confirm the minutes of:

The Audit & Accounting Governance Committee Meeting held on 19th April 2022:

1479.3.1 Unanimously RESOLVED that the minutes of the Audit & Accounting Governance Committee Meeting held on Tuesday 19th April 2022 were a true and accurate record of proceedings. [Proposed: Cllr Biscoe; Seconded: Cllr Mrs Biscoe].

1479.4 Town Clerk's Report

The report circulated prior to the meeting was noted.

1479.5 To review Income & Expenditure for the period ending June 2022

1479.5.1 A report had been circulated to members prior to the meeting outlining income and expenditure for the period up to 30th June 2022.

- 1479.5.2 Unanimously RESOLVED that the Income & Expenditure for the period ending June 2022 is agreed and meets the expected budgetary requirements. [Proposed: Cllr Brown; Seconded: Cllr Biscoe]
- 1479.6 **To receive a report from Committee Members responsible for conducting Internal Control Checks for the 1st Quarter 2022-2023**
- 1479.5.1 A report on the Internal Controls was not available as the work had not been conducted due to holiday/sickness.
- 1479.5.2 It was agreed that Cllrs Barnes and Biscoe be appointed to conduct the next set of internal control checks, reporting to the next committee meeting scheduled for 19th September 2022.
- 1479.6 **To receive a Year End Report from the Independent Internal Auditor for Financial Year 2021-2022**
- 1479.6.1 A report had been circulated prior to the meeting and was discussed by Members.
- 1479.6.2 Unanimously RESOLVED that the year end report from the independent internal auditor be accepted and that the recommendations be actioned. [Proposed: Cllr Biscoe; Seconded: Cllr Barnes]
- 1479.7 **To approve the Treasury Management Strategy for Financial Year 2022-23**
- 1479.7.1 A report had been circulated prior to the meeting and the Town Clerk advised Members of its contents.
- 1479.7.2 Unanimously RESOLVED that the Treasury Management Strategy for Financial Year 2022-23 be approved. [Proposed: Cllr Biscoe; Seconded: Cllr Mrs Biscoe]
- 1479.8 **To receive an update on the work of the Administration & Finance Team**
- 1479.8 A report had been circulated prior to the meeting updating members on the work of the Administration & Finance Team. Members discussed matters questioning where necessary, and the report was noted.
- 1479.9 **To consider Market Way rent levels during the period of closure of The Buttermarket during refurbishment works**
- 1479.9.1 A report had been circulated prior to the meeting outlining concerns about trading in the Market Way units during the closure of the Buttermarket facility for refurbishment.
- 1479.9.2 Unanimously RESOLVED that
- a. A temporary 25% rent reduction is applied to all units in Market Way;
 - b. This rent reduction be implemented from the date of commencement of works at The Buttermarket;
 - c. The reduction is reviewed by the Finance Committee at its meeting scheduled for 23rd January 2023. [Proposed: Cllr Biscoe; Seconded Cllr Brown]
- 1479.10 **To consider requests for financial assistance**
- 1479.10.1 These were dealt with as per Annex A.

Chairman

Redruth Town Council
Appeals Schedule
Meeting Date: 18th July 2022

| Budget 2022-2023: £8000 | | Allocated to date: £1950 | Balance available: £6050 | |
|--|--------------------------------------|--|---|-----------------|
| No | Appellant | Amount Requested/Purpose | Recommendation | Previous Awards |
| <p>Cllrs Barnes and Craze left the meeting as they had declared a prejudicial interest in the next item.</p> <p>Unanimously RESOLVED that Cllr Brown be appointed as Chair for the following item. [Proposed Cllr Biscoe; Seconded: Cllr Thomas]</p> | | | | |
| 1. | Redruth Community Association | £6000 over two years towards the additional work required to seek funding opportunities for £66k of capital funding required to conduct upgrades on the site | Unanimously RESOLVED that we fully fund the request of £6000 over two years and that the funding for this matter be taken from the Transition EMR. [Proposed: Cllr Biscoe; Seconded: Cllr Thomas] | N/A |
| Cllrs Barnes and Craze returned to the meeting, and assumed their roles as Chair and Vice Chair respectively | | | | |
| 2. | Redruth North Girl Guide Association | £250 towards day sessions at BF Adventure to improve confidence, mental health and social inclusion which have all suffered as a result of the pandemic | Unanimously RESOLVED that we grant £250 towards this request for financial assistance. [Proposed: Cllr Biscoe; Seconded: Cllr Thomas] | NIL |

Redruth Town Council

Town Clerks Report – Finance Committee

Meeting Date: 21st November 2022

| Min No | Item | Action | Response |
|---------------|--|--|---|
| 1479.4 | Town Council accounts for year ended 31 st March 2022 | AGAR and associated documentation approved by Council at its meeting on 16 th May 2022 and submitted to external auditors | Report received and approved at Council meeting on 26 th September |
| 1479.9 | Rent reduction in Market Way | | Awaiting notification that works are to commence. |

Detailed Income & Expenditure by Budget Heading 30/09/2022

Month No: 6

Cost Centre Report

| | Actual Year To Date | Current Annual Bud | Variance Annual Total | Committed Expenditure | Funds Available | % Spent |
|--|------------------------|-----------------------|--------------------------|--------------------------|--------------------|---------------|
| 101 Administration-Staff Costs | | | | | | |
| 4101 Wages/Salaries | 166,005 | 376,628 | 210,623 | | 210,623 | 44.1% |
| 4102 Tax/NIC | 40,367 | 111,349 | 70,982 | | 70,982 | 36.3% |
| 4103 Mileage | 116 | 0 | (116) | | (116) | 0.0% |
| 4104 Pensions | 38,751 | 114,896 | 76,145 | | 76,145 | 33.7% |
| Administration-Staff Costs :- Indirect Expenditure | 245,240 | 602,873 | 357,633 | 0 | 357,633 | 40.7% |
| Net Expenditure | (245,240) | (602,873) | (357,633) | | | |
| 102 General Administration | | | | | | |
| 1050 Income-Photocopying | 105 | 0 | (105) | | | 0.0% |
| 1100 Income-Miscellaneous | 3 | 0 | (3) | | | 0.0% |
| 1176 Precept Received | 1,027,921 | 1,027,921 | 0 | | | 100.0% |
| 1177 CTSG Received | 18,294 | 18,294 | (0) | | | 100.0% |
| 1190 Interest Received | 2,226 | 0 | (2,226) | | | 0.0% |
| General Administration :- Income | 1,048,549 | 1,046,215 | (2,334) | | | 100.2% |
| 4201 Stationery | 560 | 1,200 | 640 | | 640 | 46.7% |
| 4202 Telephone/Internet | 743 | 1,200 | 457 | | 457 | 61.9% |
| 4203 Mobile Phones | 1,820 | 2,880 | 1,060 | | 1,060 | 63.2% |
| 4204 Annual Subscriptions | 6,909 | 9,185 | 2,276 | | 2,276 | 75.2% |
| 4205 Photocopier Contract | 689 | 1,250 | 561 | | 561 | 55.1% |
| 4206 Postage | 88 | 550 | 462 | | 462 | 15.9% |
| 4207 Advertising | 244 | 1,000 | 756 | | 756 | 24.4% |
| 4208 Audit | (300) | 3,250 | 3,550 | | 3,550 | (9.2%) |
| 4210 Mayor's Budget | 1,957 | 2,000 | 43 | | 43 | 97.9% |
| 4212 Development Resources | 207 | 1,000 | 793 | | 793 | 20.7% |
| 4213 Tablets | 1,531 | 3,065 | 1,534 | | 1,534 | 50.0% |
| 4214 Newspapers | 156 | 500 | 344 | | 344 | 31.2% |
| 4215 Refreshments | (10) | 400 | 410 | | 410 | (2.5%) |
| 4216 Volunteer Support Fund | 0 | 500 | 500 | | 500 | 0.0% |
| 4217 Lib Events & Activities | 20 | 750 | 730 | | 730 | 2.6% |
| 4220 Miscellaneous Expenses | 862 | 200 | (662) | | (662) | 431.2% |
| 4221 Loan Repayment | 8,515 | 16,958 | 8,443 | | 8,443 | 50.2% |
| 4222 IT Support | 3,287 | 10,850 | 7,563 | | 7,563 | 30.3% |
| 4223 HR Outsourcing | 5,693 | 7,500 | 1,808 | | 1,808 | 75.9% |
| 4224 TIC Bulk Buy | 208 | 1,000 | 792 | | 792 | 20.8% |
| 4703 Office Equipment | 105 | 0 | (105) | | (105) | 0.0% |
| General Administration :- Indirect Expenditure | 33,283 | 65,238 | 31,955 | 0 | 31,955 | 51.0% |
| Net Income over Expenditure | 1,015,266 | 980,977 | (34,289) | | | |
| 6000 plus Transfer from EMR | 1,022 | | | | | |
| 6001 less Transfer to EMR | 9,147 | | | | | |
| Movement to/(from) Gen Reserve | 1,007,141 | | | | | |

Detailed Income & Expenditure by Budget Heading 30/09/2022

Month No: 6

Cost Centre Report

| | Actual Year To Date | Current Annual Bud | Variance Annual Total | Committed Expenditure | Funds Available | % Spent |
|---|------------------------|-----------------------|--------------------------|--------------------------|--------------------|--------------|
| 201 Christmas Festival | | | | | | |
| 4304 Christmas Lights | 9,710 | 22,500 | 12,790 | | 12,790 | 43.2% |
| 4305 Christmas Events | 0 | 6,000 | 6,000 | | 6,000 | 0.0% |
| Christmas Festival :- Indirect Expenditure | <u>9,710</u> | <u>28,500</u> | <u>18,790</u> | <u>0</u> | <u>18,790</u> | <u>34.1%</u> |
| Net Expenditure | <u>(9,710)</u> | <u>(28,500)</u> | <u>(18,790)</u> | | | |
| 202 Other Events | | | | | | |
| 1076 Income - Sponsorship | 800 | 0 | (800) | | | 0.0% |
| Other Events :- Income | <u>800</u> | <u>0</u> | <u>(800)</u> | | | |
| 4311 Market Support | 0 | 1,000 | 1,000 | | 1,000 | 0.0% |
| 4312 Summer Events | 2,632 | 2,500 | (132) | | (132) | 105.3% |
| 4313 May Day | 846 | 1,500 | 654 | | 654 | 56.4% |
| 4314 Lowendar Perran | 0 | 500 | 500 | | 500 | 0.0% |
| 4413 Road Closures/Licenses | 48 | 0 | (48) | | (48) | 0.0% |
| Other Events :- Indirect Expenditure | <u>3,526</u> | <u>5,500</u> | <u>1,974</u> | <u>0</u> | <u>1,974</u> | <u>64.1%</u> |
| Net Income over Expenditure | <u>(2,726)</u> | <u>(5,500)</u> | <u>(2,774)</u> | | | |
| 6000 plus Transfer from EMR | 500 | | | | | |
| Movement to/(from) Gen Reserve | <u>(2,226)</u> | | | | | |
| 203 Administration Services | | | | | | |
| 4207 Advertising | 973 | 1,000 | 27 | | 27 | 97.3% |
| 4701 Elections | 0 | 5,000 | 5,000 | | 5,000 | 0.0% |
| 4703 Office Equipment | 0 | 1,500 | 1,500 | | 1,500 | 0.0% |
| 4706 Council Website | 320 | 6,300 | 5,980 | | 5,980 | 5.1% |
| 4708 Training | 830 | 5,000 | 4,170 | | 4,170 | 16.6% |
| 4709 Donations | 3,950 | 8,000 | 4,050 | | 4,050 | 49.4% |
| 4711 Youth Council | 30 | 1,000 | 970 | | 970 | 3.0% |
| 4715 Town Website | 2,689 | 1,400 | (1,289) | | (1,289) | 192.0% |
| 4716 Remembrance | 0 | 2,500 | 2,500 | | 2,500 | 0.0% |
| 4718 Town Guide | 3,035 | 6,200 | 3,165 | | 3,165 | 49.0% |
| 4719 C4L | 0 | 2,500 | 2,500 | | 2,500 | 0.0% |
| 4720 Plastic Champion | 0 | 1,000 | 1,000 | | 1,000 | 0.0% |
| Administration Services :- Indirect Expenditure | <u>11,827</u> | <u>41,400</u> | <u>29,573</u> | <u>0</u> | <u>29,573</u> | <u>28.6%</u> |
| Net Expenditure | <u>(11,827)</u> | <u>(41,400)</u> | <u>(29,573)</u> | | | |
| 6000 plus Transfer from EMR | 5,274 | | | | | |
| Movement to/(from) Gen Reserve | <u>(6,553)</u> | | | | | |

Detailed Income & Expenditure by Budget Heading 30/09/2022

Month No: 6

Cost Centre Report

| | Actual Year To Date | Current Annual Bud | Variance Annual Total | Committed Expenditure | Funds Available | % Spent |
|---|------------------------|-----------------------|--------------------------|--------------------------|--------------------|--------------|
| 204 RIM&PF | | | | | | |
| 1101 Income - Stalls | 133 | 0 | (133) | | | 0.0% |
| RIM&PF :- Income | 133 | 0 | (133) | | | |
| 4401 Marshals | 0 | 370 | 370 | | 370 | 0.0% |
| 4402 Music Acts | 257 | 3,000 | 2,743 | | 2,743 | 8.6% |
| 4403 Street Ents | 896 | 0 | (896) | | (896) | 0.0% |
| 4404 Marketing/Advertising | 1,092 | 2,500 | 1,409 | | 1,409 | 43.7% |
| 4405 Equip/Toilets/Tables/Chairs | 196 | 1,300 | 1,104 | | 1,104 | 15.1% |
| 4407 First Aid | 0 | 450 | 450 | | 450 | 0.0% |
| 4408 Bunting | 0 | 275 | 275 | | 275 | 0.0% |
| 4410 Marquees | 300 | 850 | 550 | | 550 | 35.3% |
| 4413 Road Closures/Licenses | 119 | 100 | (19) | | (19) | 118.6% |
| 4414 Hospitality | 0 | 250 | 250 | | 250 | 0.0% |
| 4416 Fun Day | 580 | 400 | (180) | | (180) | 145.0% |
| 4419 Generators | 0 | 1,900 | 1,900 | | 1,900 | 0.0% |
| 4421 Electricity | 0 | 300 | 300 | | 300 | 0.0% |
| 4422 Miners Day Activities | 2,292 | 100 | (2,192) | | (2,192) | 2291.7% |
| RIM&PF :- Indirect Expenditure | 5,731 | 11,795 | 6,064 | 0 | 6,064 | 48.6% |
| Net Income over Expenditure | (5,598) | (11,795) | (6,197) | | | |
| 205 Murdoch | | | | | | |
| 4401 Marshals | 700 | 1,000 | 300 | | 300 | 70.0% |
| 4402 Music Acts | 1,230 | 1,200 | (30) | | (30) | 102.5% |
| 4403 Street Ents | 1,300 | 1,000 | (300) | | (300) | 130.0% |
| 4404 Marketing/Advertising | 1,556 | 1,000 | (556) | | (556) | 155.6% |
| 4405 Equip/Toilets/Tables/Chairs | 205 | 400 | 195 | | 195 | 51.3% |
| 4407 First Aid | 216 | 460 | 244 | | 244 | 47.0% |
| 4408 Bunting | 58 | 275 | 217 | | 217 | 21.1% |
| 4410 Marquees | 750 | 1,150 | 400 | | 400 | 65.2% |
| 4411 Stage | 650 | 900 | 250 | | 250 | 72.2% |
| 4412 Market Stalls | 685 | 1,250 | 565 | | 565 | 54.8% |
| 4413 Road Closures/Licenses | 1,370 | 420 | (950) | | (950) | 326.1% |
| 4415 Misc Expenses | 262 | 300 | 38 | | 38 | 87.2% |
| 4418 Afternoon Dance | 238 | 200 | (38) | | (38) | 118.8% |
| 4427 Schools | 0 | 1,650 | 1,650 | | 1,650 | 0.0% |
| Murdoch :- Indirect Expenditure | 9,219 | 11,205 | 1,986 | 0 | 1,986 | 82.3% |
| Net Expenditure | (9,219) | (11,205) | (1,986) | | | |

Detailed Income & Expenditure by Budget Heading 30/09/2022

Month No: 6

Cost Centre Report

| | Actual Year To Date | Current Annual Bud | Variance Annual Total | Committed Expenditure | Funds Available | % Spent |
|---|------------------------|-----------------------|--------------------------|--------------------------|--------------------|--------------|
| 206 St Piran Festival | | | | | | |
| 4401 Marshals | 0 | 350 | 350 | | 350 | 0.0% |
| 4402 Music Acts | 50 | 3,000 | 2,950 | | 2,950 | 1.7% |
| 4405 Equip/Toilets/Tables/Chairs | 40 | 325 | 285 | | 285 | 12.3% |
| 4406 Printing Programmes | 0 | 500 | 500 | | 500 | 0.0% |
| 4408 Bunting | 0 | 275 | 275 | | 275 | 0.0% |
| 4413 Road Closures/Licenses | 48 | 75 | 27 | | 27 | 64.0% |
| 4430 Transport | 0 | 350 | 350 | | 350 | 0.0% |
| St Piran Festival :- Indirect Expenditure | 138 | 4,875 | 4,737 | 0 | 4,737 | 2.8% |
| Net Expenditure | (138) | (4,875) | (4,737) | | | |
| 210 Other Services | | | | | | |
| 1075 Income-Floral Displays | 0 | 3,500 | 3,500 | | | 0.0% |
| 1080 Income-Footpaths | 0 | 1,773 | 1,773 | | | 0.0% |
| Other Services :- Income | 0 | 5,273 | 5,273 | | | 0.0% |
| 4501 Purchases & Works | 2,479 | 7,000 | 4,521 | | 4,521 | 35.4% |
| 4506 Signs | 0 | 5,000 | 5,000 | | 5,000 | 0.0% |
| 4507 Town Clock Maintenance | 186 | 3,500 | 3,314 | | 3,314 | 5.3% |
| 4514 CCTV Monitoring | 9,238 | 9,000 | (238) | | (238) | 102.6% |
| 4515 CCTV R&M | 1,868 | 5,000 | 3,132 | | 3,132 | 37.4% |
| 4516 CCTV Capital | 0 | 3,500 | 3,500 | | 3,500 | 0.0% |
| 4520 Weed Control | 2,700 | 5,000 | 2,300 | | 2,300 | 54.0% |
| 4521 Vehicle Fuel | 1,210 | 2,000 | 790 | | 790 | 60.5% |
| 4522 Machinery Fuel | 111 | 600 | 489 | | 489 | 18.4% |
| 4523 Floral Displays | 9,135 | 15,000 | 5,865 | | 5,865 | 60.9% |
| 4524 GWaT Maintenance | 81 | 4,000 | 3,920 | | 3,920 | 2.0% |
| 4525 PPE | 79 | 1,500 | 1,421 | | 1,421 | 5.3% |
| 4530 Community Centre | 295 | 4,000 | 3,705 | | 3,705 | 7.4% |
| Other Services :- Indirect Expenditure | 27,381 | 65,100 | 37,719 | 0 | 37,719 | 42.1% |
| Net Income over Expenditure | (27,381) | (59,827) | (32,446) | | | |
| 301 The Chamber | | | | | | |
| 1001 Income-Rent-KCU | 4,500 | 3,000 | (1,500) | | | 150.0% |
| 1011 Income-Services-KCU | 0 | 2,625 | 2,625 | | | 0.0% |
| The Chamber :- Income | 4,500 | 5,625 | 1,125 | | | 80.0% |
| 4209 Insurance | 6,500 | 6,500 | 0 | | 0 | 100.0% |
| 4601 Non-domestic Business Rate | 6,437 | 3,000 | (3,437) | | (3,437) | 214.6% |
| 4602 Gas | 167 | 200 | 33 | | 33 | 83.7% |

Detailed Income & Expenditure by Budget Heading 30/09/2022

Month No: 6

Cost Centre Report

| | Actual Year To Date | Current Annual Bud | Variance Annual Total | Committed Expenditure | Funds Available | % Spent |
|---------------------------|------------------------|-----------------------|--------------------------|--------------------------|--------------------|----------|
| 4603 Water | (2,513) | 100 | 2,613 | | 2,613 | (2512.6 |
| 4604 Electricity | 269 | 100 | (169) | | (169) | 268.6% |
| 4605 Waste | 362 | 0 | (362) | | (362) | 0.0% |
| 4606 Lifts | 180 | 420 | 240 | | 240 | 42.9% |
| 4610 Building Maintenance | 1,902 | 2,000 | 98 | | 98 | 95.1% |
| 4611 Air Conditioning | 113 | 850 | 738 | | 738 | 13.2% |
| 4616 Security Systems | (532) | 100 | 632 | | 632 | (531.8%) |

The Chamber :- Indirect Expenditure

| | | | | | |
|--------|--------|-----|---|-----|-------|
| 12,884 | 13,270 | 386 | 0 | 386 | 97.1% |
|--------|--------|-----|---|-----|-------|

Net Income over Expenditure

| | | |
|---------|---------|-----|
| (8,384) | (7,645) | 739 |
|---------|---------|-----|

302 Market Way

| | | | | | | |
|-------------------------|--------|--------|--------|--|--|-------|
| 1002 Income - MW Retail | 14,738 | 29,000 | 14,262 | | | 50.8% |
|-------------------------|--------|--------|--------|--|--|-------|

Market Way :- Income

| | | | | | |
|--------|--------|--------|--|--|-------|
| 14,738 | 29,000 | 14,262 | | | 50.8% |
|--------|--------|--------|--|--|-------|

| | | | | | | |
|---------------------------------|--------|--------|---------|--|---------|--------|
| 4209 Insurance | 4,416 | 4,000 | (416) | | (416) | 110.4% |
| 4220 Miscellaneous Expenses | 0 | 2,500 | 2,500 | | 2,500 | 0.0% |
| 4601 Non-domestic Business Rate | 19,477 | 32,960 | 13,483 | | 13,483 | 59.1% |
| 4602 Gas | 607 | 3,200 | 2,593 | | 2,593 | 19.0% |
| 4603 Water | 1,043 | 3,100 | 2,057 | | 2,057 | 33.6% |
| 4604 Electricity | 10,301 | 10,000 | (301) | | (301) | 103.0% |
| 4605 Waste | 2,098 | 4,000 | 1,902 | | 1,902 | 52.4% |
| 4606 Lifts | 0 | 420 | 420 | | 420 | 0.0% |
| 4607 Cleaning | 7,159 | 13,600 | 6,441 | | 6,441 | 52.6% |
| 4610 Building Maintenance | 12,156 | 7,000 | (5,156) | | (5,156) | 173.7% |
| 4611 Air Conditioning | 0 | 1,000 | 1,000 | | 1,000 | 0.0% |
| 4615 Hygiene Contracts | 878 | 2,000 | 1,122 | | 1,122 | 43.9% |
| 4616 Security Systems | 698 | 1,500 | 802 | | 802 | 46.5% |

Market Way :- Indirect Expenditure

| | | | | | |
|--------|--------|--------|---|--------|-------|
| 58,831 | 85,280 | 26,449 | 0 | 26,449 | 69.0% |
|--------|--------|--------|---|--------|-------|

Net Income over Expenditure

| | | |
|----------|----------|----------|
| (44,093) | (56,280) | (12,187) |
|----------|----------|----------|

303 Library

| | | | | | | |
|--------------------------------|-----|---|-------|--|--|------|
| 1020 Income - Fines/Lost Items | 115 | 0 | (115) | | | 0.0% |
| 1022 Income - Photocopy | 786 | 0 | (786) | | | 0.0% |
| 1023 Income - Small Items | 4 | 0 | (4) | | | 0.0% |
| 1024 Income - Reservations | 19 | 0 | (19) | | | 0.0% |
| 1026 Income - Misc | 40 | 0 | (40) | | | 0.0% |
| 1027 Income - Sale of Books | 19 | 0 | (19) | | | 0.0% |
| 1028 Income - Seagull Sacks | 129 | 0 | (129) | | | 0.0% |
| 1029 TIC Income | 99 | 0 | (99) | | | 0.0% |

Library :- Income

| | | |
|-------|---|---------|
| 1,210 | 0 | (1,210) |
|-------|---|---------|

Detailed Income & Expenditure by Budget Heading 30/09/2022

Month No: 6

Cost Centre Report

| | Actual Year To Date | Current Annual Bud | Variance Annual Total | Committed Expenditure | Funds Available | % Spent |
|---|------------------------|-----------------------|--------------------------|--------------------------|--------------------|---------------|
| 4604 Electricity | 493 | 0 | (493) | | (493) | 0.0% |
| Library :- Indirect Expenditure | <u>493</u> | <u>0</u> | <u>(493)</u> | <u>0</u> | <u>(493)</u> | |
| Net Income over Expenditure | <u>717</u> | <u>0</u> | <u>(717)</u> | | | |
| 304 Public Toilets | | | | | | |
| 4601 Non-domestic Business Rate | 29 | 0 | (29) | | (29) | 0.0% |
| 4603 Water | 1,002 | 2,500 | 1,499 | | 1,499 | 40.1% |
| 4604 Electricity | 151 | 1,000 | 849 | | 849 | 15.1% |
| 4607 Cleaning | 3,440 | 10,700 | 7,260 | | 7,260 | 32.1% |
| 4610 Building Maintenance | 29 | 2,000 | 1,971 | | 1,971 | 1.4% |
| 4615 Hygiene Contracts | 492 | 375 | (117) | | (117) | 131.3% |
| Public Toilets :- Indirect Expenditure | <u>5,143</u> | <u>16,575</u> | <u>11,432</u> | <u>0</u> | <u>11,432</u> | <u>31.0%</u> |
| Net Expenditure | <u>(5,143)</u> | <u>(16,575)</u> | <u>(11,432)</u> | | | |
| 305 St Rumons Gardens | | | | | | |
| 4603 Water | 48 | 50 | 2 | | 2 | 95.2% |
| 4604 Electricity | 1,793 | 600 | (1,193) | | (1,193) | 298.9% |
| 4605 Waste | 914 | 875 | (39) | | (39) | 104.5% |
| 4608 St Rumons Maintenance | 0 | 1,000 | 1,000 | | 1,000 | 0.0% |
| 4610 Building Maintenance | 307 | 0 | (307) | | (307) | 0.0% |
| St Rumons Gardens :- Indirect Expenditure | <u>3,062</u> | <u>2,525</u> | <u>(537)</u> | <u>0</u> | <u>(537)</u> | <u>121.3%</u> |
| Net Expenditure | <u>(3,062)</u> | <u>(2,525)</u> | <u>537</u> | | | |
| 306 EEPF | | | | | | |
| 4511 Grounds Maintenance | 555 | 2,800 | 2,245 | | 2,245 | 19.8% |
| 4512 Play Equipment Inspections | 366 | 250 | (116) | | (116) | 146.5% |
| 4513 Play Equipment Maintenance | 1,283 | 8,000 | 6,718 | | 6,718 | 16.0% |
| 4529 Skate Park Maint | 109 | 2,000 | 1,892 | | 1,892 | 5.4% |
| 4605 Waste | 1,031 | 985 | (46) | | (46) | 104.6% |
| 4616 Security Systems | 899 | 0 | (899) | | (899) | 0.0% |
| EEPF :- Indirect Expenditure | <u>4,242</u> | <u>14,035</u> | <u>9,793</u> | <u>0</u> | <u>9,793</u> | <u>30.2%</u> |
| Net Expenditure | <u>(4,242)</u> | <u>(14,035)</u> | <u>(9,793)</u> | | | |
| 6000 plus Transfer from EMR | 899 | | | | | |
| Movement to/(from) Gen Reserve | <u>(3,343)</u> | | | | | |

Detailed Income & Expenditure by Budget Heading 30/09/2022

Month No: 6

Cost Centre Report

| | Actual Year To Date | Current Annual Bud | Variance Annual Total | Committed Expenditure | Funds Available | % Spent |
|---|------------------------|-----------------------|--------------------------|--------------------------|--------------------|--------------|
| 307 Plain-an-Gwarry | | | | | | |
| 4512 Play Equipment Inspections | 81 | 250 | 170 | | 170 | 32.2% |
| 4513 Play Equipment Maintenance | 285 | 6,500 | 6,216 | | 6,216 | 4.4% |
| 4605 Waste | 645 | 625 | (20) | | (20) | 103.3% |
| 4611 Air Conditioning | 9 | 0 | (9) | | (9) | 0.0% |
| Plain-an-Gwarry :- Indirect Expenditure | 1,020 | 7,375 | 6,355 | 0 | 6,355 | 13.8% |
| Net Expenditure | (1,020) | (7,375) | (6,355) | | | |
| 308 Facilities Yard | | | | | | |
| 4601 Non-domestic Business Rate | 1,153 | 2,400 | 1,247 | | 1,247 | 48.0% |
| 4602 Gas | (1) | 0 | 1 | | 1 | 0.0% |
| 4603 Water | 0 | 500 | 500 | | 500 | 0.0% |
| 4604 Electricity | 159 | 500 | 341 | | 341 | 31.8% |
| 4610 Building Maintenance | 3 | 0 | (3) | | (3) | 0.0% |
| Facilities Yard :- Indirect Expenditure | 1,315 | 3,400 | 2,085 | 0 | 2,085 | 38.7% |
| Net Expenditure | (1,315) | (3,400) | (2,085) | | | |
| 320 Capital Expenditure | | | | | | |
| 4502 Grounds Equipment | 0 | 2,000 | 2,000 | | 2,000 | 0.0% |
| 4503 Climate Change | 60 | 3,500 | 3,440 | | 3,440 | 1.7% |
| 4504 Bus Shelters | 0 | 2,000 | 2,000 | | 2,000 | 0.0% |
| 4508 Compound Rent | 1,000 | 2,000 | 1,000 | | 1,000 | 50.0% |
| 4510 Vehicles | 13,018 | 20,500 | 7,482 | | 7,482 | 63.5% |
| 4526 Toilet Refurb | 0 | 60,000 | 60,000 | | 60,000 | 0.0% |
| 4528 Library Furniture | 0 | 1,000 | 1,000 | | 1,000 | 0.0% |
| 4531 TVF | 43,378 | 0 | (43,378) | | (43,378) | 0.0% |
| Capital Expenditure :- Indirect Expenditure | 57,455 | 91,000 | 33,545 | 0 | 33,545 | 63.1% |
| Net Expenditure | (57,455) | (91,000) | (33,545) | | | |
| 6000 plus Transfer from EMR | 43,378 | | | | | |
| Movement to/(from) Gen Reserve | (14,077) | | | | | |
| 401 Planning | | | | | | |
| 4721 Neighbourhood Plan | 727 | 5,000 | 4,273 | | 4,273 | 14.5% |
| Planning :- Indirect Expenditure | 727 | 5,000 | 4,273 | 0 | 4,273 | 14.5% |
| Net Expenditure | (727) | (5,000) | (4,273) | | | |

Detailed Income & Expenditure by Budget Heading 30/09/2022

Month No: 6

Cost Centre Report

| | Actual Year To Date | Current Annual Bud | Variance Annual Total | Committed Expenditure | Funds Available | % Spent |
|--------------------------------------|------------------------|-----------------------|--------------------------|--------------------------|--------------------|---------|
| 999 Ear Marked Reserves | | | | | | |
| 1079 Income Grants | 24,021 | 0 | (24,021) | | | 0.0% |
| 1081 Income - s106 | 182,376 | 0 | (182,376) | | | 0.0% |
| Ear Marked Reserves :- Income | 206,397 | 0 | (206,397) | | | |
| 4901 Town Clock EMR | 0 | (10,019) | (10,019) | | (10,019) | 0.0% |
| 4902 Office Equipment EMR | 0 | 3,480 | 3,480 | | 3,480 | 0.0% |
| 4903 Elections EMR | 0 | 19,813 | 19,813 | | 19,813 | 0.0% |
| 4904 Playgrounds EMR | 0 | 10,112 | 10,112 | | 10,112 | 0.0% |
| 4905 Grounds Equipment EMR | 0 | 5,731 | 5,731 | | 5,731 | 0.0% |
| 4908 SK8 Park | 0 | (164,395) | (164,395) | | (164,395) | 0.0% |
| 4909 Bus Shelters EMR | 0 | 3,988 | 3,988 | | 3,988 | 0.0% |
| 4910 Station Hill Site EMR | 0 | 1,200 | 1,200 | | 1,200 | 0.0% |
| 4911 Signs EMR | 0 | 5,942 | 5,942 | | 5,942 | 0.0% |
| 4912 Training EMR | 0 | 3,481 | 3,481 | | 3,481 | 0.0% |
| 4913 Website EMR | 0 | 4,662 | 4,662 | | 4,662 | 0.0% |
| 4914 Building Contingency | 0 | 4,387 | 4,387 | | 4,387 | 0.0% |
| 4915 Running Costs EMR | 0 | 4,659 | 4,659 | | 4,659 | 0.0% |
| 4917 Receptions EMR | 0 | 650 | 650 | | 650 | 0.0% |
| 4918 Tourism EMR | 0 | 1,156 | 1,156 | | 1,156 | 0.0% |
| 4921 Neighbourhood Plan EMR | 0 | 6,692 | 6,692 | | 6,692 | 0.0% |
| 4922 Members Allowances EMR | 0 | (40) | (40) | | (40) | 0.0% |
| 4924 Mayors Allowance EMR | 0 | 6,721 | 6,721 | | 6,721 | 0.0% |
| 4925 CCTV | 0 | 6,219 | 6,219 | | 6,219 | 0.0% |
| 4926 Building Maintenance EMR | 0 | 12,162 | 12,162 | | 12,162 | 0.0% |
| 4927 Public Realms | 0 | 2,000 | 2,000 | | 2,000 | 0.0% |
| 4928 Christmas Lights EMR | 0 | 1,479 | 1,479 | | 1,479 | 0.0% |
| 4929 Transition | 0 | 67,384 | 67,384 | | 67,384 | 0.0% |
| 4930 Town Trail Leaflets | 0 | 4,922 | 4,922 | | 4,922 | 0.0% |
| 4931 Toilets | 0 | 39,399 | 39,399 | | 39,399 | 0.0% |
| 4934 Bunting/Flags | 0 | 2,427 | 2,427 | | 2,427 | 0.0% |
| 4935 Youth Council | 0 | 1,410 | 1,410 | | 1,410 | 0.0% |
| 4936 Redruth Community Centre | 0 | 6,182 | 6,182 | | 6,182 | 0.0% |
| 4937 Legacy | 0 | 2,500 | 2,500 | | 2,500 | 0.0% |
| 4938 Floral Displays | 0 | 6,000 | 6,000 | | 6,000 | 0.0% |
| 4940 Events Contingency EMR | 0 | 18,058 | 18,058 | | 18,058 | 0.0% |
| 4942 Advertising EMR | 0 | 2,860 | 2,860 | | 2,860 | 0.0% |
| 4943 Market Way EMR | 0 | 12,976 | 12,976 | | 12,976 | 0.0% |
| 4944 Library EMR | 0 | 1,307 | 1,307 | | 1,307 | 0.0% |
| 4946 CIL | 0 | 17,572 | 17,572 | | 17,572 | 0.0% |
| 4947 Staffing | 0 | 40,100 | 40,100 | | 40,100 | 0.0% |

Detailed Income & Expenditure by Budget Heading 30/09/2022

Month No: 6

Cost Centre Report

| | Actual Year To Date | Current Annual Bud | Variance Annual Total | Committed Expenditure | Funds Available | % Spent |
|---|------------------------|-----------------------|--------------------------|--------------------------|--------------------|---------|
| 4948 Climate Change | 0 | 29,842 | 29,842 | | 29,842 | 0.0% |
| 4949 TVF | 9,651 | 65,775 | 56,125 | | 56,125 | 14.7% |
| 4950 Welcome Back Fund | 170 | (9,058) | (9,228) | | (9,228) | (1.9%) |
| 4951 Telephone Box | 0 | 15,000 | 15,000 | | 15,000 | 0.0% |
| 4952 Mobile Speed Signs | 0 | 10,000 | 10,000 | | 10,000 | 0.0% |
| 4953 GWaT | 0 | 3,200 | 3,200 | | 3,200 | 0.0% |
| 4954 TIC | 0 | 1,800 | 1,800 | | 1,800 | 0.0% |
| 4955 Plastic Champion | 0 | 500 | 500 | | 500 | 0.0% |
| Ear Marked Reserves :- Indirect Expenditure | 9,821 | 270,236 | 260,415 | 0 | 260,415 | 3.6% |
| Net Income over Expenditure | 196,576 | (270,236) | (466,812) | | | |
| 6000 plus Transfer from EMR | 10,106 | | | | | |
| 6001 less Transfer to EMR | 206,682 | | | | | |
| Movement to/(from) Gen Reserve | 0 | | | | | |
| Grand Totals:- Income | 1,276,328 | 1,086,113 | (190,215) | | | 117.5% |
| Expenditure | 501,046 | 1,345,182 | 844,136 | 0 | 844,136 | 37.2% |
| Net Income over Expenditure | 775,281 | (259,069) | (1,034,350) | | | |
| plus Transfer from EMR | 61,179 | | | | | |
| less Transfer to EMR | 215,829 | | | | | |
| Movement to/(from) Gen Reserve | 620,631 | | | | | |



HUDSON ACCOUNTING LTD.
INTERIM INTERNAL AUDIT REPORT:
TO THE MEMBERS OF REDRUTH TOWN COUNCIL
YEAR ENDED 31ST MARCH 2023.

ISSUE DATE: 30/09/2022
ISSUED TO: TOWN CLERK

INTRODUCTION:

Internal auditing is an independent, objective assurance activity designed to improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Scope:

The scope of the audit covers, as a minimum, the areas included in the Internal Audit Report contained in the Annual Governance & Accountability Return.

Any areas not covered at this interim stage will be included later in the year or during the final audit activity.

Approach:

Audit work is carried out in line with the Chartered Institute of Public Finance and Accountancy's Internal Audit Standards and guidance issued by the National Association of Local Councils.

Where applicable we have included reference to 'proper practice' and the associated guidance as laid out in 'Governance & Accountability for Smaller Authorities in England' which is applicable to financial years from 1st April 2022.

Selective testing was carried out and the relevant policies, procedures and controls were reviewed.

GENERAL COMMENTS:

We would like to thank the staff for their assistance and co-operation during the audit.

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

It should be noted that assurance can never be absolute. The most that the internal audit service can provide is a reasonable assurance that there are no major weaknesses in risk management, governance, and control processes. The audit does not guarantee that the accounting records are free from fraud or error.

We have provided a table of audit recommendations, where required that allow for the Council's response which can be used as an ongoing monitoring tool. We would be grateful if, in due course, it is completed and returned to us.

AUDIT COMMENTARY:

Previous Recommendations

The current position in respect of previous recommendations is contained in the attached Internal Audit Response Record.

Accounting Records

The accounts are maintained on RBS Omega accounting software; they were up to date and appeared free from material errors.

Financial Regulations

Financial Regulations were last reviewed in September 2019.

Payments

A sample of payments was tested to establish whether the spending decision, procurement process, certification and approval for payment were in line with Financial Regulations as well as ensuring that payments were supported by invoices, VAT was correctly accounted for, and payment controls were applied.

Purchasing

A scheme of delegation is in place and purchase orders are used – it is hoped to increase this once staffing levels permit.

Procurement

Three existing contracts were reviewed to assess compliance with Financial Regulations. There is one that is renewed annually without competition due to a lack of willing contractors. It is not of particularly high value but over the short-term its cumulative value will exceed the threshold for issuing tenders.

When renewing the aforementioned contract Financial Regulations should be suspended in line with Financial Regulation 18 and the reasons duly Minuted.

Payment

Payments are supported by invoices, certified by the RFO and are included on payment schedules approved by Members.

Payment methods

In addition to direct debits there are two credit cards in use which meet the requirements of Financial Regulations.

There is no direct Member involvement in the 'release' of internet banking payments; payments are randomly checked as part of routine Member internal control checks.

There is some separation of duties as two officer logins are required to make payments.

Risk

Risk Assessment

The Council is yet to review its risk management arrangements in the current year.

Insurance

Statutory insurances are in place and the Fidelity Guarantee is adequate at £2 million.

Investments

An Investment Strategy covering the 2022/23 financial year is in place.

Budgets

Setting

We reviewed the 2022/23 budget setting process as part of our final audit work last year and we review the 2023/24 process later in the year.

Monitoring

The 2021/22 outturn was reported in April and quarter one of the current financial year was reviewed in July.

Income

Systems were tested to ensure that suitable controls are in place to ensure that all income is received in a timely manner, that charges are correctly applied and that any cash received is promptly receipted and banked.

Precept

The precept received is in accord with that set by the Council.

Rental property

Tenants are charged in accordance with the Agreements in place. As there is no invoicing facility in the accounting system at present any 'non- standard' payments require a reconciliation process to be carried out.

Testing showed that, on occasion, VAT had not been applied to payments received; this will be corrected.

VAT

The first quarter VAT return was submitted in a timely manner.

Payroll

Payroll

August's payroll was tested and there are no issues to report.

Bank Reconciliation

Bank reconciliations are carried out in a timely manner and were found to be accurate.

Electors Rights

Full Council properly approved the 2021/22 AGAR.

The opportunity for electors to examine the accounts was properly advertised and the publication requirements in respect of the 2021/22 accounts have been met.

INTERNAL AUDIT REPORT RESPONSE RECORD – COUNCIL

| No | Recommendation | Management Response | Timescale/ Responsibility | Follow Up (for auditor use) |
|-------------------------------|---|---------------------|------------------------------|---|
| Interim report 2018/19 | | | | |
| 1 | The accounting system is used to manage the budget setting process and the use of earmarked reserves and that income budgets included Council Tax Support Grant are input into the system | Agreed | | Test at year-end once 2022/23 budget process has been completed – Spreadsheet still being used Income budgets entered into system – close and monitor budget setting process. |

REPORT FOR: Meeting of the Audit & Accounting Governance Committee on 21st November 2022

1.0 SUBJECT OF REPORT: To review the effectiveness of our system of internal audit

2.0 SUMMARY OF IMPLICATIONS

- | | | | |
|----|-----------|---|-----|
| a. | Policy | - | Yes |
| b. | Financial | - | No |
| c. | Legal | - | Yes |

3.0 TERMS OF REFERENCE

- 3.1 The regulations require larger authorities to carry out a review of the effectiveness of their system of internal audit at least once a year. This is not a requirement for smaller authorities (including town and parish councils) but it remains good practice and local councils should carry out a review periodically. When completing assertions 2, 6 and 7 in the annual governance statement in the annual return we should consider the outcomes of any review of internal audit. We carried out a review during the last financial year and would therefore recommend that we do so again during this financial year, particularly now that the audit of the accounts to the year ended 31st March 2022 have been completed, although no issues were raised by the external auditors.
- 3.2 Any review should balance the council's internal audit needs and usage. It should be designed to provide sufficient assurance for the council that standards are being met and that the work of internal audit is effective. Councils judge the extent and scope of the review by reference to their own individual circumstances.

4.0 REPORT

- 4.1 When carrying out a review a key point to note is that any review should be undertaken by the council. This is not a review that can be carried out by the external auditor or as part of the annual audit. Nor is it something that can be delegated to the clerk or RFO, and certainly not to internal audit. Although the internal audit provider cannot be allowed to influence the direction or extent of the review, it is good practice to seek their input into the process.
- 4.2 Attached is an updated copy of the Statement of Internal Controls which was approved by this committee at our meeting of October 2021. It reflects some slight changes in legislation and guidance amended since the last review. This document sets out quite clearly the practices and procedures that we currently have in place involving the practices of our independent internal auditor; those of this committee; and those of the Council. Whilst I believe that our current practices and procedures are more than adequate (they have not met with any adverse comments from our external auditors) Members should satisfy themselves that these practices and procedures meet the requirements of the Council, or make any amendments as seen necessary and report these findings to Council for approval.

5.0 CONCLUSION

- 5.1 A review of the effectiveness of our system of internal audit should be carried out at regular intervals. This report does this and recommends that our current practices and procedures meet our requirements.

6.0 **RECOMMENDATION**

- 6.1 It is recommended that Members consider this report and make a recommendation for Council to consider regarding the effectiveness of our internal audit practices and procedures.

P B Bennett
Town Clerk

REDRUTH TOWN COUNCIL

POLICY STATEMENT ON INTERNAL CONTROLS

FOR THE YEAR ENDING 31st MARCH 2023

1. SCOPE OF RESPONSIBILITY

Redruth Town Council (the Council) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently, and effectively.

In discharging this overall responsibility, the Council is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Council's functions, and which includes arrangements for the management of risk.

2. THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically.

The system of internal control has been in place at the Council for the year ended 31 March 2022 and up to the date of approval of the annual report and accounts and, except for the details of significant internal control issues at section 5, accords with proper practice.

3. THE INTERNAL CONTROL ENVIRONMENT

The Council:

The Council is responsible for:

- establishing and monitoring the achievement of the Authority's objectives.
- The facilitation of policy and decision-making
- Ensuring compliance with established policies, procedures, laws and regulations
- The Council has delegated the overall management of risk to its Finance Committee.
- The Council and all committees, the clerk and staff all contribute to the identification and management of risk. Any identified weaknesses in this area are addressed and actioned by the appropriate standing committee.
- Key staff are trained in health and safety, fire and general risk management and appropriate risk management software is used to regularise these processes.
- Through its standing orders and financial regulations, the Council has put in place controls to ensure that best value and value for money are achieved in all larger purchases
- All committees of the Council receive regular and up to date reports on financial activities under their direction
- Performance is regularly monitored against financial and operational budgets

A Standing Committee of the Council, namely the Finance Committee, has been established whose main responsibilities include:

- to monitor the Council's spending, balances, and budgets throughout the financial year by regular checks and trusted information; and approve the accounting statements prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices prior to submission to Council for approval.

- Ensuring that an adequate system of internal control is maintained; including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness through a comprehensive review of procedures and regular checks of our activities throughout the year.
- ensuring 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 the Council to conduct its business or on its finances.
- Carrying out an assessment of the risks facing the Council and ensuring that appropriate steps to manage those risks are taken, including the introduction of internal controls and/or external insurance cover where required.

The work of the committee is supported by regular internal audit reports on systems, reports from the Clerk/ RFO and matters raised by the internal/external auditors and from other retained professional advisers. It receives and considers such reports promptly and agrees appropriate action to address identified weaknesses.

The Committee itself carries out a quarterly audit of the Council's accounts and procedures in line with the document attached. Each audit is reported to the next meeting of the Finance Committee where any matters raised are considered. Each check is carried out by two different members of the committee on each occasion so as to ensure that all Members familiarise themselves with the practices and procedures of the Council. As all Members of Council receive paperwork for the Finance Committee meetings, they are all aware of matters under discussion and are able to attend committee meetings whether they sit on committee or not.

The full Council meets 10 times each year and monitors progress against its aims and objectives at each meeting by receiving reports as necessary from the Town Clerk and the nominated Members.

Clerk to the Council / Responsible Financial Officer:

The Council has appointed a Clerk to the Council who acts as the Council's advisor and administrator. The Clerk is also the Council's Responsible Financial Officer (RFO) and is responsible for administering the Council's finances. The Clerk is responsible for the day-to-day compliance with laws and regulations that the Council is subject to and for managing risks. The Clerk also ensures that the Council's procedures, control systems and policies are adhered to.

Payments:

All payments are reported to the Council for approval, included in the minutes which are the available for public scrutiny on the Council website. Two Members of the Council must authorise every payment (through signature of invoices and/or cheques). Two Members of the Council monitor electronic bank statements regularly through quarterly checks.

Risk Assessments / Risk Management:

The Council carries out regular risk assessments in respect of actions and regularly reviews its systems and controls.

Internal Audit:

In addition to the Finance Committee audit responsibilities, the Council has appointed an Independent Internal Auditor who reports to the Council on the adequacy of its:

- records
- procedures
- systems
- internal control
- regulations
- risk management
- reviews

These checks follow the recommendations contained within Section 4 of the Joint Panel on Governance and Accountability – A Practitioners Guide (England) 2022

External Audit:

The Council's External Auditors, currently PKF Littlejohn LLP, submit an annual Certificate of Audit, which is presented to the Council.

4. REVIEW OF EFFECTIVENESS

The Council has responsibility for conducting an annual review of the effectiveness of the system of internal control. The review of the effectiveness of the system of internal control is informed by the by the work of:

- > the full Council;
- > the Clerk to the Council/RFO who has responsibility for the development and maintenance of the internal control environment and managing risks;
- > The Finance Committee and the work on audit checks.
- > the independent Internal Auditor who reviews the Council's system of internal control;
- > PKF Littlejohn LLP, the currently appointed Council's external auditors, who make the final check using the Annual Return, a form completed and signed by the Responsible Financial Officer, the Town Mayor, and the Internal Auditor, and approved at a meeting of the Council.
- > the number of significant issues that are raised during the year.

The Finance Committee ensure that the effectiveness of the internal controls are assessed annually and that any recommendations are made to Council for discussion and approval.

5. SIGNIFICANT INTERNAL CONTROL ISSUES

No significant internal control issues were identified during the 2021-2022 financial year.

Whilst no significant internal control issues were identified during the year the Council strives for the continuous improvement of the system it has adopted for internal control and has addressed all the minor issues and weaknesses raised and reported during the review process.

.....
Cllr S Barnes
Chairman
Finance Committee

.....
P B Bennett
Clerk to the Council & RFO

These controls were approved at the meeting of the Finance Committee held on 21st November 2022

SECTION FOUR — BEST PRACTICE GUIDANCE FOR INTERNAL AUDIT

Introduction

- 4.1. This section intends to provide members and officers of smaller authorities as well as those offering to provide internal audit services to such authorities, details of the legal framework, regulations and guidance to be followed.
- 4.2. Smaller authorities are required by the Accounts and Audit Regulations 2015 to 'undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'.
- 4.3. The public sector internal audit standards have not been applied to smaller authorities. The information in this section is therefore guidance and should be considered by smaller authorities in undertaking a best practice effective internal audit.
- 4.4. It is not the purpose of either internal or external audit to detect or prevent fraud. However if internal auditors identify concerns as part of the review, they may wish to contact the authority's external auditor who are a 'prescribed body' under the Public Interest Disclosure Act.
- 4.5. It is not the role of any internal auditor to complete Section 1 or Section 2 of the AGAR, that is the responsibility of the authority.

Selecting and appointing an internal audit provider

- 4.6. In addition to ensuring the appointed internal auditor has relevant knowledge of the public sector, there are two key principles an authority must follow in appointing an internal audit provider: independence and competence.
- 4.7. There are various ways for an authority to source an internal audit service, for example:
 - Purchasing an internal audit service from a local firm or specialist internal audit practice with an understanding of the local government legal framework
 - Purchasing an internal audit service from a principal local authority
 - Engaging a competent internal auditor with sufficient organisational independence to undertake the role
 - Appointing a local individual or a member of a panel of individuals administered by a local association affiliated to NALC, SLCC or ADA.
- 4.8. There is no requirement for a person providing the internal audit role to be professionally qualified, however essential competencies to be sought from any internal audit service should include:
 - understanding basic book-keeping and accounting processes; where an authority exceeds the £200,000 threshold, this understanding must include accrual accounting and balance sheets

- understanding the role of internal audit in reviewing systems rather than undertaking detailed checks that are more appropriately the responsibility of management
- awareness of relevant principles and practice of financial and other risk management
- understanding proper practices in relation to governance and accounting requirements within the legal framework and powers of smaller authorities, as set out in Sections 1 and 3 of this guide (knowledge of which is a prerequisite)
- awareness of the most recent model Standing Orders and model Financial Regulations as published by NALC and how they are adopted by authorities
- awareness of the relevance of VAT and PAYE/NIC rules as applied to the authority
- for larger authorities, a clear understanding of the risks and controls associated with 'cut off' procedures, particularly with respect to revenue-generating activities

Independence

- 4.9. Independence requires the absence of any actual or perceived conflict of interest. It means that whoever carries out the internal audit role does not have any involvement in, or responsibility for, the financial decision making, management or control of the authority, or for the authority's financial controls and procedures.
- 4.10. A current or recent authority member, who cannot demonstrate independence from decisions in the year to be audited, cannot be its internal auditor. Similarly, it would not be appropriate for any individual or firm with a personal connection to a member or officer of the authority to be appointed. Conflicts of interest must be avoided, such as in cases where an external provider of accounting software or services to the authority, also offers internal audit services through an associate company, firm or individual.
- 4.11. There is no requirement to rotate auditors but the independence of the appointed person or firm should be reviewed every year with regard to; personal independence, financial independence, and professional independence.

Competence

- 4.12. Evidence as to competence might include letters of recommendation from other similar authorities.

Engagement

- 4.13. Every authority should ensure that they have a letter of engagement which would normally include:
- roles and responsibilities
 - audit planning and timing of visits

- reporting requirements
- rights to access to information, members and officers
- period of engagement
- remuneration
- any other matters required for the management of the engagement by the authority

4.14. Most internal auditors will have professional indemnity insurance cover which provides both the authority and the person or firm engaged, with protection and assurance.

Planning and oversight

4.15. It is a matter for the authority to determine how best to meet the statutory requirement for internal audit, having regard to its size, scope of services and complexity of financial arrangements.

4.16. Authorities should, at least annually, carry out a review of the effectiveness of their overall internal audit arrangements. It should be designed to provide sufficient assurance for the authority that standards are being met and that the work of internal audit is effective. Authorities should judge the extent and scope of the review by reference to their own individual circumstances.

4.17. As with any review, it should be evidence based.

Wherever possible this should be gathered throughout the year.

Sources may include:

- previous review and action plan
- annual report by internal audit
- other reports from internal audit, including internal audit plan, monitoring reports, and the results of any investigations
- any reports by the external auditor
- the results of any other external reviews of internal control

4.18. As part of the review the internal auditor should produce a report to the authority highlighting areas for improvement or development. An action plan should be produced setting out the areas of improvement required, any proposed remedial actions, the members or officers responsible for delivering improvement, and the deadlines for completion of the actions.

Internal Audit Checklist

4.19. The following sets out the basic requirements for conduct of an effective internal audit review of an authority's financial and governance records and controls facilitating the completion of the Internal Audit Report in an authority's Annual Governance and Accountability Return (AGAR). The detail is not exhaustive but aims to provide Proper Officers and internal auditors with a basic guide to the controls that should ideally be in place and physical checks/testing that should be applied. Where records examined

include personal detail, such as in the case of staff salaries, allotment records and detail of hall hirers on invoices, care should be taken to ensure compliance with the requirements of the General Data Protection Regulations (GDPR).

- 4.20. Internal auditors should also, as part of the overall check on the authority's governance arrangements, review all full authority and committee minutes (and supporting papers) to gain an overview of the authority's financial and governance controls, monitoring that no actions of a potentially unlawful nature are being considered or any such decisions have been taken and that approval of all minutes is in accordance with the legislation.

This particular facet does not align to an individual section of the internal audit report in the AGAR but serves to give a degree of high-level indication as to the effectiveness of an authority's overall controls and decision-making process.

| AGAR certificate reference | Internal Audit action for expected controls |
|---|--|
| <p>A. Appropriate accounting records have been properly kept throughout the year.</p> <p>AND</p> <p>I. Periodic bank account reconciliations were properly carried out during the year.</p> | <ul style="list-style-type: none"> • Ensure the correct roll forward of the prior year cashbook balances to the new financial year • Check a sample of financial transactions in cashbooks to bank statements, etc: the sample size dependent on the size of the authority and nature of accounting records maintained • Ensure that bank reconciliations are prepared routinely, are subject to independent scrutiny and sign-off by members • Verify the accuracy of the year-end bank reconciliation detail and ensure accurate disclosure of the combined cash and bank balances in the AGAR, section 2, line 8. • Where the authority has bank balances in excess of £100,000 it has an appropriate investment strategy. |
| <p>B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT appropriately accounted for.</p> | <ul style="list-style-type: none"> • Review the procedures in place for acquisition of formal tenders and quotes, ensuring they are in line with the <u>SOs and FRs</u> which should be based on the latest version. • Ensure that consistent values are in place for the acquisition of formal tenders between SOs and FRs (frequently different limits are recorded in the two documents) • Review the procedures for receipt of invoices, agreement of invoice detail and confirmation of goods /services delivery and approval for payment: ideally, a suitably designed certification stamp should be in place |

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| | <p>providing for evidencing of these checks and payment authorisation</p> <ul style="list-style-type: none"> • Check that there is effective segregation between the writing of cheques or the setting up of online payments, and physical release of payments • Check that VAT reclaims are prepared and submitted in a timely manner in line with the underlying records and in accordance with current HMRC requirements • Where debit / credit cards are in use, establish the total monthly and individual transaction limits and ensure appropriate controls over physical security and usage of the cards are in place |
| <p>C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.</p> | <ul style="list-style-type: none"> • Ensure that authorities have prepared, and formally adopted, at least once annually, an appropriate and comprehensive register of assessed risks, both regular and ad hoc • Ensure that appropriate levels of insurance cover are in place for land, buildings, public, employers' and hirers' (where applicable) liability, fidelity / employees (including councillors) liability, business interruption and cyber security • Ensure that appropriate arrangements are in place for monitoring play areas, open spaces and sports pitches: such reviews should be undertaken by appropriately qualified external inspectors or, if by officers or members, that they have received the appropriate training and accreditation • Review the effectiveness of internal control carried out by the authority |
| <p>D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.</p> | <ul style="list-style-type: none"> • Ensure that the full Authority, not a committee, has considered, approved and adopted the annual precept for the coming year in accordance with the required parent Authority timetable • Ensure that current year budget reports are prepared and submitted to Authority / Committees periodically during the year with appropriate commentary on any significant variances • Review the budget performance either during the year or at the financial year-end seeking explanations for any significant or unanticipated variances • Ensure that the Authority has considered the |

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| | <p>establishment of specific earmarked reserves and, ideally, reviews them annually as part of the budget assessment process</p> <ul style="list-style-type: none"> • Ensure that the precept received in the accounts matches the prior year submission form to the relevant authority and the <u>public record of precepted amounts</u> |
| <p>E. Expected income was fully received based on correct prices, properly recorded and promptly banked; and VAT appropriately accounted for.</p> | <ul style="list-style-type: none"> • Review "Aged debtor" listings to ensure appropriate follow up action is in place • Allotments: ensure that appropriate signed tenancy agreements exist, that an appropriate register of tenants is maintained identifying, that debtors are monitored. • Burials: ensure that a formal burial register is maintained that it is up-to-date and that a sample of interments and memorials are appropriately evidenced, that fees have been charged at the correct approved rate and been recovered within a reasonable time: (<u>Authorities should also acquire and retain copies of Burial / Cremation certificates</u>) • Hall hire: ensure that an effective diary system for bookings is in place identifying the hirer, hire times and ideally cross-referenced to invoices raised • Leases: ensure that leases are reviewed in a timely manner in accordance with the terms of the lease and rents similarly reviewed appropriately at the due time • Other variable income streams: ensure that appropriate control procedures and documentation are in existence to provide a clear audit trail through to invoicing and recovery of all such income • Where amounts are receivable on set dates during the year, ensure that an appropriate control record is maintained duly identifying the date(s) on which income is due and actually received / banked |
| <p>F. Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for</p> | <ul style="list-style-type: none"> • A number of authorities are now running down and closing their petty cash accounts and using debit / credit cards for ad hoc purchases. Consequently, a "Not covered" response is frequently required in this area. • Review the systems in place for controlling any petty cash and also cash floats (used for bar, catering, etc) • Check a sample of transactions during the financial year to ensure appropriate supporting documentation is held |

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| | <ul style="list-style-type: none"> • Review the existence of evidenced periodic independent verification of the petty cash and any other cash floats held • Ensure that VAT is identified wherever incurred and appropriate • Physically check the petty cash and other cash floats held • Where bar or catering facilities are in place, ensure that appropriate cashing-up procedures are in place reconciling the physical cash takings to the till "Z" total readings |
| G. Salaries to employees and allowances to members were paid in accordance with the authority's approvals, and PAYE and NI requirements were properly applied. | <ul style="list-style-type: none"> • Ensure that, for <u>all staff</u>, a formal employment contract is in place together with a confirmatory letter setting out any changes to the contract • Ensure that appropriate procedures are in place for the payment of members allowances and deduction of any tax liability • Ensure that, for a sample of staff salaries, gross pay due is calculated in accordance with the approved spinal point on the <u>NJC</u> scale or hourly rate, if off-scale, and also with the contracted hours • Ensure that appropriate tax codes are being applied to each employee • Where <u>free</u> or <u>paid for</u> software is used, ensure that it is up to date. • For the test sample of employees, ensure that tax is calculated appropriately • Check the correct treatment of Pension contributions • For NI, ensure that the correct deduction and employer's contributions are applied: NB. The <u>employers allowance</u> is not available to councils but may be used by other authorities • Ensure that the correct employers' pension percentage contribution is being applied • Ensure that for the test sample, the correct net pay is paid to the employee with tax, NI and pension contributions correctly paid to the respective agencies. |
| H. Asset and investment registers were complete and accurate and properly | <p>Tangible Fixed Assets:</p> <ul style="list-style-type: none"> • Ensure that the Authority is maintaining a formal asset register and updating it routinely to record new assets at |

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| <p>maintained.</p> <p>This section/assurance should be extended to include loans to or by the authority</p> | <p>historic cost price, net of VAT and removing any disposed of / no longer serviceable assets</p> <ul style="list-style-type: none"> • Physically verifying the existence and condition of high value, high risk assets may be appropriate • Ideally, the register should identify for each asset the purchase cost and, if practicable, the replacement / insured cost, the latter being updated annually and used to assist in forward planning for asset replacement • Additions and disposals records should allow tracking from the prior year to the current • Ensure that the asset value to be reported in the AGAR at section 2, line 9 equates to the prior year reported value, adjusted for the nominal value of any new acquisitions and / or disposals • Compare the asset register with the insurance schedule to ensure that all assets as recorded are appropriately insured or "self-insured" by the Authority <p>Fixed asset investments:</p> <ul style="list-style-type: none"> • Ensure that all long-term investments (i.e., those for more than 12 month terms) are covered by the "<u>Investment Strategy</u>" and reported as Assets in the AGAR at section 2, line 9. <p>Borrowing and Lending:</p> <ul style="list-style-type: none"> • Ensure that the authority has sought and obtained appropriate <u>DMO approval</u> for all loans acquired • Ensured that the authority has accounted for the loan appropriately (i.e., recorded the full value of the loan. Any arrangement fee should be regarded as an admin expense) in the year of receipt • Ensure that the combined principal loan repayment and interest for the year is correctly recorded in the AGAR at section 2 line 5 • Ensure that the outstanding loan liability as at 31st March each year is correctly recorded in the AGAR at section 2, line 10 (value should be verified via the <u>DMO website</u>) • Where the Authority has issued loans to local bodies, they should ideally seek signed indemnities from the recipient body, or their members, agreeing to underwrite the loan debt |
| <p>J. Accounting statements</p> | <p>Whilst IAs are not required to verify the accuracy of detail to be</p> |

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| prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cashbook, supported by an adequate audit trail from underlying records and, where appropriate, debtors and creditors were properly recorded. | disclosed in the AGAR, this assertion, together with the expectation of most Authorities, effectively requires IAs to ensure that the financial detail reported at <u>section 2 of the AGAR</u> reflects the detail in the accounting records maintained for the financial year. Consequently, IAs should <ul style="list-style-type: none"> • Ensure that, where annual turnover exceeds <u>£200,000</u>, appropriate records are maintained throughout the year on an Income and Expenditure basis to facilitate budget reporting in that vein • Ensure that appropriate accounting arrangements are in place to account for debtors and creditors during the year and at the financial year-end |
| K. If the authority certified itself as exempt from a limited assurance review in the prior year, it met the exemption criteria and correctly declared itself exempt. | IAs should ensure that, <u>all relevant criteria are met</u> (receipts and payments each totalled less than £25,000) <ul style="list-style-type: none"> • the correct exemption certificate was prepared and minuted in accordance with the statutory submission deadline • that it has been published, together with all required information on the Authority's website and noticeboard |
| L. The authority publishes information on a free to access website / web page, up to date at the time of the internal audit in accordance with any relevant transparency code requirements | This test applies only to those councils covered by the £25,000 <u>External Audit exemption</u> IAs should review the Authority's website ensuring that all required documentation is published in accordance with the <u>Transparency Code</u> . |
| M. The authority, during the previous year, correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations. | IAs should acquire / examine a copy of the required "Public Notice" ensuring that it clearly identifies the statutory <u>30 working day period when the Authority's records are available for public inspection</u> . IAs may also check whether councils have minuted the relevant dates at the same time as approving the AGAR |
| N. The authority complied with the publication requirements for the prior year AGAR. | IAs should ensure that the statutory disclosure / publication requirements in relation to the prior year's AGAR have been met as detailed on the front page of the current year's AGAR. |
| O. Trust funds (including charitable) - the Council met its responsibilities as a trustee | <ul style="list-style-type: none"> • Confirm that all charities of which the council is a Trustee are up to date with CC filing requirements • that the council is the sole trustee on the <u>Charity</u> |

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| | <p><u>Commission register</u></p> <ul style="list-style-type: none"> • that the council is acting in accordance with the <u>Trust deed</u> • that the Charity meetings and accounts recorded separately from those of the council • review the level and activity of the charity and where a risk based approach suggests such, review the <u>Independent Examiners</u> report |
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Reporting on Internal Audit

- 4.21. The duties of internal audit relate to reporting on the adequacy and effectiveness of an authority's system of internal control. The minimum reporting requirement for internal audit to the smaller authority is met by completing the annual internal audit report on the Annual Governance and Accountability Return.
- 4.22. In most cases, particularly for larger authorities, an additional narrative report to the full council would be expected and then be published with the AGAR along with any comments from the external auditor.
- 4.23. Any narrative report should have conclusions that are compatible with the entries on the AGAR.
- 4.24. The annual internal report will inform the authority's response to Assertion 2 and Assertion 6 in the annual governance statement.
- 4.25. An authority should minute their review and actions planned from the outcomes of the AGAR tests and content of any narrative reports from Internal Auditors.

REPORT FOR: Meeting of the Council on 21st November 2022

1.0 SUBJECT OF REPORT: To Review the Town Council's Risk Assessment of Financial Management

2.0 SUMMARY OF IMPLICATIONS

- | | | | |
|----|-----------|---|-----|
| a. | Policy | - | Yes |
| b. | Financial | - | No |
| c. | Legal | - | Yes |

3.0 TERMS OF REFERENCE

- 3.1 As a corporate body it is necessary for the Town Council to have in place policies which will ensure the smooth and efficient running of the organisation. These policies should be reviewed from time-to-time, and at least on an annual basis.

4.0 REPORT

- 4.1 The Town Council Risk Assessment for Financial Management is due for review following this committee's review 12 months ago, and it should be completed within each financial year. Attached for your information is the extract from the Joint Panel on Accountability and Governance – A Practitioners' Guide (2022), which outlines our responsibilities associated with Assertion 5 of the Annual Governance statement which specifically deals with Risk Management. Also attached is a copy of the Risk Assessment itself which has been updated to include the recommendations of the A&AG Committee and internal auditor made last year and reflect other changes during the course of the last 12 months.
- 4.2 When comparing the guidance notes to our Risk Assessment you will note that ours essentially meets the recommendations of the Practitioners' Guide, along with the internal controls. Furthermore, in addition to the internal controls mentioned, a large number of the items raised are now covered either by the actions of the Finance Committee or are included within the Internal Audit Checks carried out by Members of the Committee.

5.0 CONCLUSION

- 5.1 The Risk Assessment of Financial Management needs to be reviewed on a regular basis and updated as necessary.

6.0 RECOMMENDATION

- 6.1 It is recommended that Members consider this report and approve that the risk assessment meets our current needs.

P B Bennett
Town Clerk

- 1.25 Actions during the year — An authority needs to have satisfied itself that it has not taken any decision during the year, or authorised any action, that exceeds its powers or contravenes any laws, regulations, or proper practices.
- 1.26 Supporting information on compliance with laws, regulations and proper practices can be found in Section 5.

Assertion 4 — Exercise of public rights

We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.

In order to warrant a positive response to this assertion the authority needs to have taken the following actions in respect of the previous year's Annual Governance and Accountability Return:

- 1.27 Exercise of public rights. The authority provided for the exercise of public rights is set out in Sections 26 and 27 of the Local Audit and Accountability Act 2014. Part 5 of the Accounts and Audit Regulations 2015 requires the RFO to have published, including on the authority's website or another website:
- Sections 1 and 2 of the Annual Governance and Accountability Return;
 - a declaration that the status of the statement of accounts is 'unaudited'; and
 - a statement that sets out details of how public rights can be exercised, as set out in Regulation 15(2)(b), which includes the period for the exercise of public rights.
- 1.28 External Auditor's Review — A notice of the conclusion of the external auditor's limited assurance review of the Annual Governance and Accountability Return, together with relevant accompanying information, was published (including on the authority's website or other website) in accordance with the requirements of Regulation 16 the Accounts and Audit Regulations 2015.
- 1.29 A parish meeting may meet the publication requirements by displaying the information in question in a conspicuous place in the area of the authority for at least 14 days.
- 1.30 Supporting information on the exercise of public rights can be found in Section 5.

Assertion 5 — Risk management

We carried out an assessment of the risks facing this smaller authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.

In order to warrant a positive response to this assertion, the authority needs to have the following arrangements in place:

- 1.31 Identifying and assessing risks — The authority needs to identify, assess and record risks associated with actions and decisions it has taken or considered taking during the year that could have financial or reputational consequences.
- 1.32 Addressing risks — Having identified, assessed and recorded the risks, the authority needs to address them by ensuring that appropriate measures are in place to mitigate and manage risk. This might include the introduction of internal controls and/or appropriate use of insurance cover.
- 1.33 Supporting information on risk management can be found in Section 5.

Assertion 6 — Internal Audit

We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.

In order to warrant a positive response to this assertion, the authority needs to have taken the following actions:

- 1.34 Internal audit — The authority needs to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes considering internal auditing guidance for smaller authorities.
- 1.35 Provision of information — The authority needs to ensure it has taken all necessary steps to facilitate the work of those conducting the internal audit, including making available all relevant documents and records and supplying any information or explanations required.
- 1.36 Non-statutory guidance on internal audit can be found in Section 4.

Assertion 7 — Reports from Auditors

We took appropriate action on all matters raised in reports from internal and external audit.

- 1.37. To warrant a positive response to this assertion, the authority needs to have considered all matters brought to its attention by its external auditor and internal audit and taken corrective action as appropriate.
- 1.38. Supporting information on reports from auditors can be found in Section 5.

Assertion 8 — Significant events

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 smaller authority and, where appropriate have included them in the accounting statements.

Redruth Town Council - Risk Assessment of Financial Management 2022-2023

| Risks identified | | Risk factor level - <i>High, Medium, Low</i> | Existing controls, precautions, arrangements, procedures | Are existing controls adequate? Yes/No | If no, what additional controls, precautions, arrangements, procedures are required? | Action to be taken by | Target date | Date completed and signature |
|------------------|---|---|---|---|--|-----------------------|-------------|------------------------------|
| No. | Risk | | | | | | | |
| | INSURABLE RISKS | | | | | | | |
| 1 | The protection of physical assets owned by the council buildings, furniture, equipment, etc. (loss or damage) | H | An up to date register of assets and investments; · Regular maintenance arrangements for physical assets; · Ensuring the robustness of insurance providers as carried out by Finance Committee. | Yes | | | | |
| 2 | The risk of damage to third party property or individuals as a consequence of the council providing services or amenities to the public (public liability) | H | Regular inspections (recorded) of amenities; review of risk carried out throughout the year, and the adequacy of cover determined accordingly; regular maintenance arrangements for physical assets carried out on at least an annual basis | Yes | | | | |
| 3 | The risk of consequential loss of income or the need to provide essential services following critical damage, loss or non-performance by a third party (consequential loss) | M | Annual review of risk and the adequacy of cover carried out by Finance Committee. | Yes | | | | |

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| 4 | Loss of cash through theft or dishonesty (fidelity guarantee) | H | Regular audit of accounts and practices by Finance Committee audit checks; annual review of risk and the adequacy of cover | Yes | | | | |
| 5 | Legal liability as a consequence of asset ownership (public liability) | H | An up to date register of assets and investments; regular inspections and risk assessments | Yes | | | | |
| 6 | The protection of Council employees against bodily injury, death, disease, illness or shock whilst in the employ of the Council (Employers Liability) | M | Annual review of risk and the adequacy of cover carried out annually in discussion with insurance company, and by Finance Committee. | Yes | | | | |
| | POLICY | | | | | | | |
| 7 | Keeping proper financial records in accordance with statutory requirements | H | Standing orders and financial regulations; Regular audit of financial records and proper arrangements for the approval of expenditure; reporting of accounts at all Finance Committee meetings; monthly bank reconciliations carried out by RFO, independently reviewed by audit checks | Yes | Additional member of staff now employed as Financial Assistant and responsible for day-to-day routines. Potential for appointment of RFO (separate to Town Clerk). | RFO | | |
| 8 | The provision of services being carried out under agency/partnership agreements with principal authorities | L | Regular reporting on performance by suppliers/ providers/ contractors; Annual review of contracts; Clear statements of management responsibility for each service | Yes | | | | |

| | | | | | | | | |
|----|--|---|---|-----|--|--|--|--|
| 9 | Banking arrangements, including borrowing or lending | L | Regular bank reconciliations, independently reviewed; Adoption of and adherence to codes of practice for procurement and investment | Yes | | | | |
| 10 | Ensuring all business activities are within legal powers applicable to local councils | H | Standing orders and financial regulations regularly reviewed; regular scrutiny of financial records by A&AG Committee and proper arrangements for the approval of expenditure | Yes | | | | |
| 11 | Complying with restrictions on borrowing | L | Procedures for dealing with and monitoring grants or loans made or received | Yes | | | | |
| 12 | Ensuring that all requirements are met under employment law and Inland Revenue regulations | H | Regular returns to the Inland Revenue; contracts of employment for all staff, annually reviewed by the council, systems of updating records for any changes in relevant legislation; all checked as part of Finance Committee audit checks and independent internal auditor | Yes | | | | |
| 13 | Ensuring all requirements are met under Customs and Excise regulations (especially VAT) | H | Regular returns of VAT; training the responsible officer in matters of VAT and other taxation issues as necessary; all checked as part of Finance Committee audit checks, and independent internal auditor. Now using Make Tax Digital returns to HMRC. | Yes | | | | |

| | | | | | | | | |
|----|---|---|--|--------------------------------|--|--|--|--|
| 14 | Ensuring the proper use of funds granted to local community bodies under specific powers or under section 137 | L | N/A | N/A | Council has adopted the Power of General Competence wef 17th May 2021. Nevertheless, regular checks carried out at Committee Meetings and regular budget monitoring statements at Finance Committee meetings | | | |
| 15 | Meeting the requirements for the Local Council Award Scheme or other accreditation | M | N/A | N/A | | | | |
| 16 | Register of members' interests and gifts and hospitality in place, complete, accurate and up to date | H | Adoption of codes of conduct for members; procedures in place for recording and monitoring members' interests and gifts and hospitality received | Yes | Code of Conduct updated and adopted in May 2021. | | | |
| | PROCEDURES | | | | | | | |
| 17 | Security/maintenance for vulnerable buildings, amenities or equipment | M | Meetings held with partners on at least an annual basis, and/or on request; regular meetings with staff to consider implications | Yes | | | | |
| 18 | Ensuring the adequacy of the annual precept within sound budgeting arrangements | H | Developed systems of performance measurement; Regular budget monitoring statements at Finance Committee Meetings | Yes | | | | |
| 19 | Monitoring of performance against agreed standards under partnership agreements | M | Developing systems of performance measurement | Not applicable at present time | | | | |

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| 20 | Proper, timely and accurate reporting of council business in the minutes | H | Minutes properly numbered and paginated with a master copy kept in safekeeping | Yes | | | | |
| 21 | Responding to electors wishing to exercise their rights of inspection | H | Documented procedures to deal with enquiries/complaints from the public | Yes | | | | |
| 22 | Meeting the laid down timetables when responding to consultation invitation | M | Dealt with in timely manner based on Committee responses | Yes | | | | |
| 23 | Proper document control | M | Documented procedures for document receipt, circulation, response, handling and filing | Yes | | | | |
| 24 | Protection of accounting records against the possibility of computer failure | L | Implementation of Backup procedures: built in server back up with cloud based back up. | Yes | | | | |

Printed name of assessor: P B BENNETT (and by Meeting of Finance Committee on 21st November 2022)

Signature:



Date: 21st November 2022

Review Date: No later than
January 2024

Redruth Town Council
Appeals Schedule
Meeting Date: 21st November 2022

| Budget 2022-2023: £8000 | | Allocated to date: £2700 | Balance available: £5300 | |
|-------------------------|------------------------------|--|--------------------------|-----------------|
| No | Appellant | Amount Requested/Purpose | Recommendation | Previous Awards |
| 1. | Redruth 2000 (Murdoch House) | £500 towards the costs of a replacement rear door to meet with Historic England requirements | | 1989 £100 |

GRANT APPLICATION FORM

Name of Organisation: Redruth 2000

| | | | | |
|--|-----------------|---------------------------|------------------------|------------------|
| Organisation type <small>(Please circle one option)</small> | Community Group | Registered Charity | Voluntary Organisation | Statutory Agency |
|--|-----------------|---------------------------|------------------------|------------------|

Give the name and status of two representatives authorised to make the application:

| | |
|--|--|
| Name: Lee Collins | Name: Deborah Reeve |
| Address: c/o Murdoch House Cross Street Redruth TR15 2BU | Address: c/o Murdoch House Cross Street Redruth TR15 2BU |
| Tel No: [REDACTED] | Tel No: [REDACTED] |
| Email address: [REDACTED] | Email address: [REDACTED] |
| Position held: Treasurer | Position held: Chairperson |

Please describe the purpose of your organisation and how it benefits communities in the Redruth parish:

The Charity is established for the following purposes of public benefit in the area comprising Redruth, which area shall hereinafter be referred to as "the area of benefit":

- a) To promote high standards of planning and architecture in, or affecting, the area of benefit
- b) To educate the public in the geography, history, natural history and architecture of the area of benefit
- c) To secure the preservation, protection, development and improvement of features of historic or public interest in the area of benefit

DETAILS OF THE PROJECT/ACTIVITY

Give brief details of the project for which the Grant Application is being made (Please complete this section even if you have included full details of the scheme elsewhere):

Murdoch House was built in the mid to late 18th century, and was occupied by Scottish inventor William Murdoch between 1782 and 1798. Murdoch produced a number of significant engineering projects in Murdoch House. He developed the world's first low pressure locomotive the "Murdoch Flyer" in 1785, purported to be tested in Cross Street, which paved the way to the development of Trevithick's Puffing Devil in 1801. As significant as this project was for the local mining community, it was not what the house is most famous for. In 1792 Murdoch installed a piped gas system in the house which allowed the house to be the first ever lit by coal gas. Coal gas went on to be used for lighting in the significant proportion of Victorian homes, such was its success.

The property is currently owned by the Percy & Lily Reed Williams Trust who purchased the building in the 1980s from the Quaker Society of Friends in order to prevent it from being sold for housing.

The house is currently leased on a peppercorn rent to Redruth 2000 who have been an established charity in the town for over 20 years.

It was recently downgraded from a Grade 2* to Grade 2 by Historic England.

Redruth 2000 uses the house as a community meeting space, for workshops, coffee mornings, and during town festivals and special events, at which it gains significant interest from locals and visitors alike. The house is located adjacent to the old Druid Hall, currently known as St Rumon's Gardens, which is owned by Redruth Town Council. This is also a venue for events during festivals and for other community activities, making this area of significant value to the town.

Murdoch House is also the home of the Cornish Global Migration Programme (CGMP), an initiative of Redruth 2000. The CGMP use the upper floors of Murdoch House to run their project. CGMP plays an important role in tracing the historical migration of the Cornish across the globe. Particularly that of Cornish miners who travelled significant distances to continue mining when mines were closed in the late 19th century. A database of all Cornish migrants is in continual development and is well-used globally for the tracing of ancestry lines back to Cornwall.

Redruth 2000 also lets the ground floor out to community users such as the Towns Women's Guild, Chamber of Commerce and Red Tent Women's group. Pre Covid there were a greater number of users, but unfortunately many have not returned for a variety of reasons and it has proved difficult to attract new users due to the lack of up-to-date facilities. It is Redruth 2000's ambition to improve the space available to local groups, who will be able to rent out space steeped in such history.

A coffee morning on Fridays is currently offered and run by the volunteers of Redruth 2000. We have visitors from around the world who come to visit the house all year round. Unfortunately, we are not currently able to open the house to the public on a more regular basis than once a week on a Friday morning and on festival days due to cost restraints.

Murdoch House is a historical asset and building of significant community interest to the town's heritage. There are currently opportunities for the story of William Murdoch and the significance of this building being told to the local community being missed due to the very few hours it is currently open to the public. Redruth 2000 require funding to pilot longer opening hours and the consideration of regular paid employment for a 'custodian' who can oversee the enhanced opening times. Murdoch House is located with easy and level access to the town centre of Redruth. Increasing hours will aid the increase of footfall in the town which has decreased in recent years bringing benefit to the local area. The house is also within 1-200 metres of the Buttermarket, which itself is undergoing significant improvements. Improvements of these two historically significant areas of Redruth will compound any benefits seen by one alone.

We have achieved funding to refurbish the meeting space of Murdoch House to allow for a full interpretation of the Murdoch story, and improved meeting facilities such as smart displays. This alone will bring additional interest and increase use of Murdoch House. Unfortunately, we have been unable to secure funding for fundamental repair of the building. One significant aspect of this being the rear door. The current door is insecure and entirely rotten at the base. It was also vandalised during the Covid lockdown. We have been quoted £1500 to build a new door of equivalent quality and specification to satisfy inspectors of Heritage England.

We are requesting this sum from the council so that we can get this door replaced, making the building secure and weathertight. It would be a great shame for the rest of the work to be achieved without this.

Please give a detailed breakdown of the costs of your project/activity:

Cornwall Council Pre- App £287.00

Survey £264.00

Historic Building Consent and Historic Impact Assessment £1050.00

Murdoch interpretation £24,000.00

Heating £3,550.00

Railings £2711.14

Smart Screen £2124.00

Replacement rear door £1500.00

Total £35,486.14

Estimated start and end date for the project/activity:

1st December 2022 – 31st March 2023

Please tell us how you will fund your project/activity, giving details of any funding already secured or applications made:

Awarded November 2022:

HSHAZ - £28,000

Cornwall Council Match Fund - £5,878

Total £33,878

Applied for November 2022:

Redruth Town Council £500.00

We will also be applying to other small community funds to raise the remainder of the money, plus carrying out some fundraising activities at Murdoch House.

Please advise which other Town and Parish Councils you have approached for funding this project, and the amounts requested:

NONE

**Grant requested from
Redruth Town Council:**

£500

How do you know there is a local need for your project/activity? Please give recent evidence.

There is significant interest in the history of the town, and in particular Murdoch House. However, the feedback of visitors to Murdoch House is that there is nothing tangible to educate or inform visitors of this historical significance. Those of you who have visited I am sure, will agree. Our project will rectify this by way of creating an interactive and immersive version of the story of William Murdoch's involvement in local mining engineering and history.

William Murdoch's engineering feats and ingenuity led to many inventions which are still in use today. One of these feats of ingenuity lead to Murdoch House, which Murdoch occupied between 1779 and 1798, to be the very first domestic house in the world to be lit by coal gas.

Who and how many people in the Redruth Parish will benefit from your project/activity?

Redruth 2000 has been in contact with schools in the local parish, and many have shown significant interest in using the refurbished Murdoch House as an educational tool to cement learning of the current Key Stage 1 and 2 curriculum. This will lead to regular school visits to Murdoch House.

Head of Pennoweth, Cathryn Andrews has said: "I am really keen that all the children at Pennoweth have a sound understanding of the significance of Murdoch House."

Refurbishment of Murdoch House will also allow for enhanced opening hours which in turn will allow for greater access to visitors. Not only from Redruth and the surrounding parishes, but also from further afield. Increasing footfall in the town will benefit not only the telling of Redruth's story, but also enhance the local economy due to increased visitor footfall and spending.

How long have you been fundraising for this particular project?

Redruth 2000 first started fundraising for this project on the 1st of August 2022.

Have you applied for a grant from Redruth Town Council before? If so, when did you apply and how much were you awarded?

An application was previously submitted to Redruth Town Council in 1989 for £100.

Please attach your last set of annual accounts to this application. If you are unable to provide this information, please tell us why:

Please see attached document.

Name of payee: Redruth 2000

(This should be a group or association and not an individual)

Account No: [REDACTED]

Sort Code: [REDACTED]

Please write here anything else you wish to say about your application:

Declaration

REDRUTH 2000**RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEARS ENDED 31st DECEMBER 2020 AND 2021****RECEIPTS**

| | 2021 | 2020 | 2019 |
|-----------------|------------------|------------------|------------------|
| Membership | £0.00 | £277.50 | £180.00 |
| Donations | £0.00 | £97.50 | £90.00 |
| Room hire | £495.00 | £815.00 | £755.00 |
| Coffee mornings | £0.00 | £402.36 | £1,050.39 |
| Grant | £2,000.00 | £0.00 | £200.00 |
| St Piran's Day | £0.00 | £0.00 | £98.70 |
| Land Train Day | £0.00 | £0.00 | £35.50 |
| Murdoch Day | £0.00 | £0.00 | £155.15 |
| Mining & Pasty | £0.00 | £0.00 | £100.00 |
| Bank interest | £1.41 | £7.70 | £17.62 |
| | | | |
| TOTAL | £2,496.41 | £1,600.06 | £2,682.36 |

BANK BALANCES

| | 2021 | 2020 | 2019 |
|------------------|------------------|------------------|------------------|
| At 31st December | | | |
| Membership | 7185.26 | £7,684.50 | £7,847.35 |
| Murdoch House | 767.75 | £537.77 | £1,337.92 |
| TOTALS | £7,953.01 | £8,222.27 | £9,185.27 |

PAYMENTS

| | 2021 | 2020 | 2019 |
|-----------------------|------------------|------------------|------------------|
| Rent | £100.00 | £100.00 | £100.00 |
| Insurance - liability | £388.12 | £384.57 | £336.09 |
| Insurance -property | £261.70 | £0.00 | £138.13 |
| Property expenses | £0.00 | £0.00 | £1,047.07 |
| Telephone | £442.40 | £424.29 | £411.06 |
| Water | £102.27 | £162.15 | £161.40 |
| Electricity | £1,280.67 | £1,430.87 | £1,309.96 |
| Cleaning | £66.00 | £0.00 | £410.77 |
| Covid expenses | £63.33 | | |
| Hanging basket | £0.00 | £0.00 | £33.00 |
| Print & postage | £0.00 | £0.00 | £27.84 |
| Domain name | £61.18 | £61.18 | £61.18 |
| AIM | £0.00 | £0.00 | £60.00 |
| | | | |
| TOTAL | £2,765.67 | £2,563.06 | £4,096.50 |

ACCUMULATED FUNDS STATEMENT

| | 2021 | 2020 | 2019 |
|------------------------|-----------|-----------|------------|
| Total income | £2,496.41 | £1,600.06 | £2,682.36 |
| Total expenditure | £2,765.67 | £2,563.06 | £4,096.50 |
| Surplus / deficit | -£269.26 | -£963.00 | -£1,414.14 |
| Balance at 1st January | £8,222.27 | £9,185.27 | £10,599.41 |
| Balance at 31st Dec. | £7,953.01 | £8,222.27 | £9,185.27 |
| | | | |
| General fund | £7,728.01 | | |
| Restricted fund | £225.00 | | |

CGMP**RECEIPTS AND PAYMENTS ACCOUNT**

| | |
|-------------------------------------|-----------|
| Bank balance at 01.01.2019 | £1,175.23 |
| No receipts or expenditure in b2019 | |
| Plus Donation in 2020 | £17.00 |
| Plus talk fee in 2021 | £50.00 |
| less Display Cabinet purchased | £50.00 |
| Bank balance at 31.12.2021 | £1,192.23 |

Mary Sheppard

Treasurer