

**REDRUTH TOWN  
COUNCIL**



**CONSEL AN DRE  
RESRUDH**

The Chambers, Penryn Street, Redruth, Cornwall TR15 2SP  
Tel No: 01209-210038 e-mail: admin@redruth-tc.gov.uk

**Town Mayor: Cllr Ms D L Reeve**

**Town Clerk: P B Bennett**

*Our Reference:*  
RTC/460/2/Mtg  
*Date:*  
15<sup>th</sup> January 2020

See Distribution

Dear Councillor

**Audit & Accounting Governance Committee Meeting – 20<sup>th</sup> January 2020**

You are summoned to attend a Meeting of the Redruth Town Council Audit & Accounting Governance Committee to be held on Monday 20<sup>th</sup> January 2020 at The Chambers, Penryn Street, Redruth, 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 read 'PB', with a horizontal line drawn through it.

Peter Bennett  
Town Clerk

Enclosures:

Agenda and associated documentation.

Distribution:

Action:

Cllr Barnes  
Cllr Biscoe  
Cllr Mrs Biscoe  
Cllr Brown  
Cllr Mrs Davidson  
Cllr Garrick  
Cllr Ms Reeve  
Cllr Tregunna

Information:

All other Town Councillors  
Press & Public

**Redruth Town Council**  
**Audit & Accounting Governance Committee Meeting – 20<sup>th</sup> January 2020**

**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 Audit & Accounting Committee held on 21<sup>st</sup> October 2019. [Minutes attached]
  - 6.2 Extraordinary Meeting of the Audit & Accounting Committee held on 18<sup>th</sup> November 2019. [Minutes attached]
7. Town Clerk's Report. [See report attached]
8. To review Income/Expenditure for the quarter ending December 2019. [See schedule attached]
9. To receive a report from Committee Members responsible for carrying out Internal Control checks for 3<sup>rd</sup> Quarter 2019-2020. [See report attached]
10. To review the effectiveness of our system of internal audit Internal Controls. [See report attached]
11. To Review the Town Council's Risk Assessment of Financial Management. [See report attached]



The Chambers, Penryn Street, Redruth, Cornwall TR15 2SP

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

**Town Mayor: Cllr Ms D L Reeve**

**Town Clerk: P B Bennett**

Minutes of a Meeting of the Redruth Town Council Audit & Accounting Governance Committee held in The Council Chamber, The Chambers, Penryn Street, Redruth on Monday 21<sup>st</sup> October 2019

Present: Cllr C Garrick Chairman  
Cllr S Barnes  
Cllr H Biscoe  
Cllr Mrs A Biscoe  
Cllr M Brown  
Cllr Mrs J Davidson  
Cllr Ms D Reeve

In attendance: P B Bennett Town Clerk

PART I – PUBLIC SESSION

1333.1 **Apologies for absence.**

1333.1.1 Apologies were received from Cllr Tregunna (unwell).

1333.2 **Members to declare any disclosable pecuniary interests or non-registerable interests (including details thereof) in respect of any item(s) on this Agenda.**

1333.2.1 None.

1333.3 **To confirm the minutes of:**

*The Audit & Accounting Governance Committee Meeting held on 15<sup>th</sup> July 2019:*

1333.3.1 RESOLVED by a majority that the minutes of the Audit & Accounting Governance Committee Meeting held on Monday 15<sup>th</sup> July 2019 were a true and accurate record of proceedings. [Proposed: Cllr Brown; Seconded: Cllr Biscoe]. Cllr Mrs Davidson abstained as she was not present at the meeting.

1333.4 **Town Clerk's Report**

1333.4.1 The Town Clerk's report had been circulated prior to the meeting and was noted. He also advised Members that the process for "Making Tax Digital" whereby electronic VAT returns will be submitted is now underway.

1333.5 **To review Income & Expenditure for the quarter ending September 2019**

1333.5.1 Unanimously RESOLVED that the Income & Expenditure for the period ending September 2019 is agreed and meets the expected budgetary requirements. [Proposed: Cllr Biscoe; Seconded: Cllr Mrs Davidson]

- 1333.6 **To receive a report from Committee Members responsible for carrying out Internal Control checks for 2<sup>nd</sup> Quarter 2019-2020**
- 1333.6.1 A report on the Internal Control checks carried out by Cllrs Barnes and Biscoe was circulated prior to the meeting. They were thanked for their work and for preparing the report, which was discussed in some depth.
- 1333.6.2 Unanimously RESOLVED that the report on internal controls for the second quarter of Financial Year 2019-20 with recommendations be accepted. [Proposed: Cllr Barnes; Seconded: Cllr Biscoe]
- 1333.6.3 It was agreed that Cllrs Brown and Reeve be appointed to carry out the next set of Internal Control checks, reporting to the next committee meeting in January 2020.
- 1333.7 **To receive a report from the Independent Internal Auditor following his interim visit for FY 2019-20**
- 1333.7.1 A report from the Independent Internal Auditor on completion of his interim visit to look at the accounts had been circulated prior to the meeting. The report was discussed in detail and the recommendations were acknowledged.
- 1333.7.2 Unanimously RESOLVED that the report from the Independent Internal Auditor be noted and that the recommendations be accepted and acted upon. [Proposed: Cllr Mrs Davidson; Seconded: Cllr Biscoe]
- 1333.8 **To approve the Treasury Management Strategy for Financial Year 2019-20**
- 1333.8.1 A report outlining the need and requirements of a Treasury Management Strategy for Financial Year 2019-20 had been circulated prior to the meeting. The report was discussed in detail and the recommendations were accepted.
- 1333.8.2 Unanimously RESOLVED that the committee approve the Treasury Management Strategy for Financial Year 2019-20. [Proposed: Cllr Brown; Seconded: Cllr Mrs Davidson]

**Chairman**



The Chambers, Penryn Street, Redruth, Cornwall TR15 2SP

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

**Town Mayor: Cllr Ms D L Reeve**

**Town Clerk: P B Bennett**

Minutes of an Extraordinary Meeting of the Redruth Town Council Audit & Accounting Governance Committee held in The Council Chamber, The Chambers, Penryn Street, Redruth on Monday 18<sup>th</sup> November 2019

Present: Cllr C Garrick Chairman  
Cllr R S Barnes  
Cllr H Biscoe  
Cllr M Brown  
Cllr Mrs J Davidson  
Cllr Ms D Reeve  
Cllr J Tregunna

In attendance: Mr P B Bennett Town Clerk  
Cllr I Thomas

PART I – PUBLIC SESSION

1339.1 **Apologies for absence.**

1339.1.1 Apologies were received from Cllr Mrs Biscoe, (other commitments).

1339.2 **To discuss the proposed Council budget for financial year 2020-2021 and to make recommendations to Council in respect of said budget and the level of precept to be raised**

1339.2.1 Members of the committee considered a report prepared by the RFO which had been circulated prior to the meeting. The RFO advised that since the report had been circulated, he had received an update of information from Cornwall Council. We now had details of the Council Tax Support Grant which had decreased year on year to £32.7 k, however he stood by the recommendation that this should still be allocated to the Transition EMR.

Members then discussed the budget as a whole having accepted the recommendations from the other Standing Committees. The merits of the proposed rise were discussed in detail with the Clerk reminding Members that at present our tier of local authority is not under any capping regime. The Clerk recommended to Members that the recommendations of this committee should not be placed before Members for approval until the meeting of 16<sup>th</sup> December. This would allow for any finer adjustments to be made following any further information at upcoming meetings, which is expected, and also any potential matters following the general election.

1339.2.2 RESOLVED by a majority that the committee recommends to Council that we set a budget of £755390 for financial year 2020-2021 and that the level of precept to be raised be set at £720615. [Proposed: Cllr Ms D Reeve; Seconded: Cllr Mrs J Davidson]. Cllr Barnes abstained.

**Chairman**

**Redruth Town Council**

**Town Clerks Report – Audit & Accounting Governance Committee**

**Meeting Date: 20<sup>th</sup> January 2020**

<b>Min No</b>	<b>Item</b>	<b>Action</b>	<b>Response</b>
1333.4	Making Tax Digital - electronic submission of VAT returns (MTD)	Work completed on making systems MTD enabled	First electronic VAT return made on 6 <sup>th</sup> Jan 20 for Qtr 3 submission.
1339.2	Budget & Precept for FY 2020-2021	Recommendations submitted and approved by Council at its meeting of 16 <sup>th</sup> December 2019	Precepting Authority (Cornwall Council) made aware of RTC requirements for FY 2020-21, and receipt acknowledged

## Detailed Income &amp; Expenditure by Budget Heading 31/12/2019

Month No: 9

## Cost Centre Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
<b>101 Administration-Staff Costs</b>						
4101 Wages/Salaries	175,044	210,696	35,652		35,652	83.1%
4102 Tax/NIC	32,172	55,496	23,324		23,324	58.0%
4103 Mileage	122	0	(122)		(122)	0.0%
4104 Pensions	37,448	55,085	17,637		17,637	68.0%
Administration-Staff Costs :- Indirect Expenditure	<u>244,786</u>	<u>321,277</u>	<u>76,491</u>	<u>0</u>	<u>76,491</u>	<u>76.2%</u>
<b>Net Expenditure</b>	<u>(244,786)</u>	<u>(321,277)</u>	<u>(76,491)</u>			
<b>102 General Administration</b>						
1100 Income-Miscellaneous	126	0	(126)			0.0%
1176 Precept Received	620,298	0	(620,298)			0.0%
1177 CTSG Received	37,282	0	(37,282)			0.0%
1190 Interest Received	3,082	0	(3,082)			0.0%
General Administration :- Income	<u>660,789</u>	<u>0</u>	<u>(660,789)</u>			
4103 Mileage	2	0	(2)		(2)	0.0%
4201 Stationery	984	1,000	16		16	98.4%
4202 Telephone/Internet	1,012	1,320	308		308	76.7%
4203 Mobile Phones	803	1,300	497		497	61.7%
4204 Annual Subscriptions	6,991	6,000	(991)		(991)	116.5%
4205 Photocopier Contract	1,191	1,550	359		359	76.8%
4206 Postage	435	500	65		65	87.0%
4207 Advertising	0	1,000	1,000		1,000	0.0%
4208 Audit	800	2,500	1,700		1,700	32.0%
4209 Insurance	52	0	(52)		(52)	0.0%
4210 Mayor's Budget	1,802	2,000	198		198	90.1%
4212 Development Resources	242	1,000	758		758	24.2%
4213 Tablets	261	2,500	2,239		2,239	10.4%
4220 Miscellaneous Expenses	102	200	98		98	51.0%
4221 Loan Repayment	17,819	17,820	1		1	100.0%
General Administration :- Indirect Expenditure	<u>32,497</u>	<u>38,690</u>	<u>6,193</u>	<u>0</u>	<u>6,193</u>	<u>84.0%</u>
<b>Net Income over Expenditure</b>	<u>628,292</u>	<u>(38,690)</u>	<u>(666,982)</u>			
6000 plus Transfer from EMR	829					
6001 less Transfer to EMR	37,282					
<b>Movement to/(from) Gen Reserve</b>	<u>591,839</u>					
<b>201 Christmas Festival</b>						
1101 Income - Stalls	120	0	(120)			0.0%



## Detailed Income &amp; Expenditure by Budget Heading 31/12/2019

Month No: 9

## Cost Centre Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
1103 Income - Advertising	188	0	(188)			0.0%
Christmas Festival :- Income	<u>308</u>	<u>0</u>	<u>(308)</u>			
4207 Advertising	(38)	0	38		38	0.0%
4220 Miscellaneous Expenses	69	0	(69)		(69)	0.0%
4303 Christmas Goodwill	500	0	(500)		(500)	0.0%
4304 Christmas Lights	17,159	17,200	41		41	99.8%
4305 Christmas Events	4,835	6,000	1,165		1,165	80.6%
Christmas Festival :- Indirect Expenditure	<u>22,526</u>	<u>23,200</u>	<u>674</u>	<u>0</u>	<u>674</u>	<u>97.1%</u>
Net Income over Expenditure	<u>(22,218)</u>	<u>(23,200)</u>	<u>(982)</u>			
<u>202 Section 137 Floral Displays</u>						
4306 Floral Displays	3,656	14,000	10,344		10,344	26.1%
Section 137 Floral Displays :- Indirect Expenditure	<u>3,656</u>	<u>14,000</u>	<u>10,344</u>	<u>0</u>	<u>10,344</u>	<u>26.1%</u>
Net Expenditure	<u>(3,656)</u>	<u>(14,000)</u>	<u>(10,344)</u>			
<u>203 Administration Services</u>						
1100 Income-Miscellaneous	15	0	(15)			0.0%
1102 Income - Donations	129	0	(129)			0.0%
Administration Services :- Income	<u>144</u>	<u>0</u>	<u>(144)</u>			
4207 Advertising	1,101	2,000	899		899	55.0%
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	649	680	32		32	95.4%
4708 Training	2,000	2,000	0		0	100.0%
4709 Donations	1,279	3,000	1,721		1,721	42.6%
4710 Christmas Goodwill	0	500	500		500	0.0%
4711 Youth Council	102	1,500	1,398		1,398	6.8%
4715 Town Website	350	400	50		50	87.5%
4718 Town Guide	3,025	5,500	2,475		2,475	55.0%
Administration Services :- Indirect Expenditure	<u>8,506</u>	<u>22,080</u>	<u>13,574</u>	<u>0</u>	<u>13,574</u>	<u>38.5%</u>
Net Income over Expenditure	<u>(8,362)</u>	<u>(22,080)</u>	<u>(13,718)</u>			
6001 less Transfer to EMR	29					
Movement to/(from) Gen Reserve	<u>(8,390)</u>					
<u>204 RIM&amp;PF</u>						
1101 Income - Stalls	460	0	(460)			0.0%

## Detailed Income &amp; Expenditure by Budget Heading 31/12/2019

Month No: 9

## Cost Centre Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
1103 Income - Advertising	565	0	(565)			0.0%
<b>RIM&amp;PF :- Income</b>	<b>1,025</b>	<b>0</b>	<b>(1,025)</b>			
4207 Advertising	(38)	0	38		38	0.0%
4220 Miscellaneous Expenses	72	0	(72)		(72)	0.0%
4401 Marshals	0	370	370		370	0.0%
4402 Music Acts	2,254	3,000	746		746	75.1%
4404 Marketing/Advertising	2,959	2,500	(459)		(459)	118.4%
4405 Equip/Toilets/Tables/Chairs	592	1,000	408		408	59.2%
4407 First Aid	446	450	4		4	99.2%
4408 Bunting	260	275	15		15	94.5%
4409 Security	459	0	(459)		(459)	0.0%
4410 Marquees	860	700	(160)		(160)	122.9%
4413 Road Closures/Licenses	76	100	24		24	75.7%
4414 Hospitality	87	250	163		163	34.7%
4416 Fun Day	281	400	119		119	70.3%
4418 Afternoon Dance	80	0	(80)		(80)	0.0%
4419 Generators	995	1,700	705		705	58.5%
4421 Electricity	0	100	100		100	0.0%
4422 Miners Day Activities	0	100	100		100	0.0%
<b>RIM&amp;PF :- Indirect Expenditure</b>	<b>9,382</b>	<b>10,945</b>	<b>1,563</b>	<b>0</b>	<b>1,563</b>	<b>85.7%</b>
<b>Net Income over Expenditure</b>	<b>(8,358)</b>	<b>(10,945)</b>	<b>(2,587)</b>			
<b>205 Murdoch</b>						
1101 Income - Stalls	90	0	(90)			0.0%
1102 Income - Donations	58	0	(58)			0.0%
1103 Income - Advertising	281	0	(281)			0.0%
<b>Murdoch :- Income</b>	<b>429</b>	<b>0</b>	<b>(429)</b>			
4207 Advertising	(38)	0	38		38	0.0%
4220 Miscellaneous Expenses	65	0	(65)		(65)	0.0%
4401 Marshals	0	650	650		650	0.0%
4402 Music Acts	1,060	1,200	140		140	88.3%
4403 Street Ents	891	1,000	109		109	89.1%
4404 Marketing/Advertising	332	1,000	668		668	33.2%
4405 Equip/Toilets/Tables/Chairs	331	400	69		69	82.6%
4406 Printing Programmes	454	0	(454)		(454)	0.0%
4407 First Aid	446	450	4		4	99.2%
4408 Bunting	265	275	10		10	96.4%
4409 Security	908	250	(658)		(658)	363.0%
4410 Marquees	860	1,200	340		340	71.7%

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## Detailed Income &amp; Expenditure by Budget Heading 31/12/2019

Month No: 9

## Cost Centre Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
4411 Stage	845	830	(15)		(15)	101.8%
4412 Market Stalls	1,083	1,300	217		217	83.3%
4413 Road Closures/Licenses	456	310	(146)		(146)	147.1%
4415 Misc Expenses	254	80	(174)		(174)	317.3%
4418 Afternoon Dance	100	200	100		100	50.0%
4427 Schools	1,020	1,500	480		480	68.0%
4433 Parade	200	200	0		0	100.0%
<b>Murdoch :- Indirect Expenditure</b>	<b>9,532</b>	<b>10,845</b>	<b>1,313</b>	<b>0</b>	<b>1,313</b>	<b>87.9%</b>
<b>Net Income over Expenditure</b>	<b>(9,103)</b>	<b>(10,845)</b>	<b>(1,742)</b>			
<b>206 St Piran Festival</b>						
4207 Advertising	(38)	0	38		38	0.0%
4220 Miscellaneous Expenses	65	0	(65)		(65)	0.0%
4401 Marshals	0	350	350		350	0.0%
4402 Music Acts	500	3,000	2,500		2,500	16.7%
4405 Equip/Toilets/Tables/Chairs	60	250	190		190	24.0%
4406 Printing Programmes	0	500	500		500	0.0%
4413 Road Closures/Licenses	0	75	75		75	0.0%
4430 Transport	0	350	350		350	0.0%
4431 Show	0	300	300		300	0.0%
<b>St Piran Festival :- Indirect Expenditure</b>	<b>587</b>	<b>4,825</b>	<b>4,238</b>	<b>0</b>	<b>4,238</b>	<b>12.2%</b>
<b>Net Expenditure</b>	<b>(587)</b>	<b>(4,825)</b>	<b>(4,238)</b>			
<b>210 Other Services</b>						
1075 Income-Floral Displays	4,344	3,500	(844)			124.1%
1080 Income-Footpaths	1,615	1,350	(265)			119.7%
<b>Other Services :- Income</b>	<b>5,960</b>	<b>4,850</b>	<b>(1,110)</b>			<b>122.9%</b>
4501 Purchases & Works	4,769	5,000	231		231	95.4%
4506 Signs	0	500	500		500	0.0%
4507 Town Clock Maintenance	1,120	1,100	(20)		(20)	101.9%
4514 CCTV Monitoring	5,000	5,000	0		0	100.0%
4515 CCTV R&M	1,050	4,000	2,950		2,950	26.3%
4520 Weed Control	4,680	5,000	320		320	93.6%
4521 Vehicle Fuel	1,667	2,500	833		833	66.7%
4522 Machinery Fuel	375	1,000	625		625	37.5%
4523 Floral Displays	13,259	0	(13,259)		(13,259)	0.0%
<b>Other Services :- Indirect Expenditure</b>	<b>31,920</b>	<b>24,100</b>	<b>(7,820)</b>	<b>0</b>	<b>(7,820)</b>	<b>132.5%</b>
<b>Net Income over Expenditure</b>	<b>(25,961)</b>	<b>(19,250)</b>	<b>6,711</b>			

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## Detailed Income &amp; Expenditure by Budget Heading 31/12/2019

Month No: 9

## Cost Centre Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
<b>301 The Chamber</b>						
1001 Income-Rent-KCU	0	2,250	2,250			0.0%
1011 Income-Services-KCU	0	2,625	2,625			0.0%
<b>The Chamber :- Income</b>	<b>0</b>	<b>4,875</b>	<b>4,875</b>			<b>0.0%</b>
4209 Insurance	6,233	7,000	767		767	89.0%
4601 Non-domestic Business Rate	9,501	10,600	1,100		1,100	89.6%
4602 Gas	1,297	3,600	2,303		2,303	36.0%
4603 Water	1,161	2,000	839		839	58.0%
4604 Electricity	4,075	4,200	125		125	97.0%
4605 Waste	701	750	49		49	93.4%
4606 Lifts	502	420	(82)		(82)	119.5%
4607 Cleaning	212	450	238		238	47.2%
4610 Building Maintenance	1,920	2,000	80		80	96.0%
4611 Air Conditioning	0	800	800		800	0.0%
4615 Hygiene Contracts	362	360	(2)		(2)	100.6%
4616 Security Systems	170	340	170		170	50.0%
<b>The Chamber :- Indirect Expenditure</b>	<b>26,134</b>	<b>32,520</b>	<b>6,386</b>	<b>0</b>	<b>6,386</b>	<b>80.4%</b>
<b>Net Income over Expenditure</b>	<b>(26,134)</b>	<b>(27,645)</b>	<b>(1,511)</b>			
<b>302 Market Way</b>						
1002 Income - MW Retail	22,328	20,000	(2,328)			111.6%
<b>Market Way :- Income</b>	<b>22,328</b>	<b>20,000</b>	<b>(2,328)</b>			<b>111.6%</b>
4209 Insurance	3,700	3,700	0		0	100.0%
4220 Miscellaneous Expenses	50	0	(50)		(50)	0.0%
4601 Non-domestic Business Rate	1,543	2,100	557		557	73.5%
4602 Gas	389	0	(389)		(389)	0.0%
4604 Electricity	3,635	2,000	(1,635)		(1,635)	181.7%
4605 Waste	2,215	3,000	785		785	73.8%
4607 Cleaning	5,992	8,700	2,708		2,708	68.9%
4610 Building Maintenance	7,223	2,000	(5,223)		(5,223)	361.1%
4615 Hygiene Contracts	752	1,000	248		248	75.2%
4616 Security Systems	278	350	72		72	79.4%
<b>Market Way :- Indirect Expenditure</b>	<b>25,777</b>	<b>22,850</b>	<b>(2,927)</b>	<b>0</b>	<b>(2,927)</b>	<b>112.8%</b>
<b>Net Income over Expenditure</b>	<b>(3,450)</b>	<b>(2,850)</b>	<b>600</b>			
6000 plus Transfer from EMR	50					
<b>Movement to/(from) Gen Reserve</b>	<b>(3,400)</b>					

## Detailed Income &amp; Expenditure by Budget Heading 31/12/2019

Month No: 9

## Cost Centre Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
<b>303 Library</b>						
1020 Income - Fines/Lost Items	2,295	0	(2,295)			0.0%
1021 Income - Hire AV	80	0	(80)			0.0%
1022 Income - Photocopy	2,062	0	(2,062)			0.0%
1023 Income - Small Items	72	0	(72)			0.0%
1024 Income - Reservations	11	0	(11)			0.0%
1026 Income - Misc	18	0	(18)			0.0%
1027 Income - Sale of Books	512	0	(512)			0.0%
<b>Library :- Income</b>	<b>5,049</b>	<b>0</b>	<b>(5,049)</b>			
4214 Newspapers	191	0	(191)		(191)	0.0%
4511 Grounds Maintenance	0	300	300		300	0.0%
4601 Non-domestic Business Rate	20,769	23,000	2,231		2,231	90.3%
4602 Gas	0	3,000	3,000		3,000	0.0%
4603 Water	0	620	620		620	0.0%
4604 Electricity	0	3,400	3,400		3,400	0.0%
4605 Waste	438	550	112		112	79.6%
4607 Cleaning	8,103	13,000	4,897		4,897	62.3%
4610 Building Maintenance	77	0	(77)		(77)	0.0%
4703 Office Equipment	0	750	750		750	0.0%
<b>Library :- Indirect Expenditure</b>	<b>29,577</b>	<b>44,620</b>	<b>15,043</b>	<b>0</b>	<b>15,043</b>	<b>66.3%</b>
<b>Net Income over Expenditure</b>	<b>(24,528)</b>	<b>(44,620)</b>	<b>(20,092)</b>			
6000 plus Transfer from EMR	65					
<b>Movement to/(from) Gen Reserve</b>	<b>(24,463)</b>					
<b>304 Public Toilets</b>						
1085 Income - Toilets	3,162	4,000	838			79.1%
<b>Public Toilets :- Income</b>	<b>3,162</b>	<b>4,000</b>	<b>838</b>			<b>79.1%</b>
4601 Non-domestic Business Rate	2,431	3,000	570		570	81.0%
4603 Water	1,576	1,400	(176)		(176)	112.5%
4604 Electricity	267	1,000	733		733	26.7%
4607 Cleaning	6,986	10,250	3,264		3,264	68.2%
4610 Building Maintenance	780	2,000	1,220		1,220	39.0%
4615 Hygiene Contracts	704	350	(354)		(354)	201.1%
<b>Public Toilets :- Indirect Expenditure</b>	<b>12,743</b>	<b>18,000</b>	<b>5,257</b>	<b>0</b>	<b>5,257</b>	<b>70.8%</b>
<b>Net Income over Expenditure</b>	<b>(9,581)</b>	<b>(14,000)</b>	<b>(4,419)</b>			

## Detailed Income &amp; Expenditure by Budget Heading 31/12/2019

Month No: 9

## Cost Centre Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
<b>305 St Rumons Gardens</b>						
4603 Water	23	80	58		58	28.1%
4604 Electricity	0	320	320		320	0.0%
4605 Waste	856	841	(15)		(15)	101.8%
4608 St Rumons Maintenance	8	0	(8)		(8)	0.0%
4610 Building Maintenance	0	500	500		500	0.0%
St Rumons Gardens :- Indirect Expenditure	<u>887</u>	<u>1,741</u>	<u>854</u>	<u>0</u>	<u>854</u>	<u>50.9%</u>
<b>Net Expenditure</b>	<u>(887)</u>	<u>(1,741)</u>	<u>(854)</u>			
<b>306 EEPF</b>						
4511 Grounds Maintenance	1,785	1,500	(285)		(285)	119.0%
4512 Play Equipment Inspections	0	500	500		500	0.0%
4513 Play Equipment Maintenance	291	1,500	1,209		1,209	19.4%
4605 Waste	962	970	8		8	99.2%
EEPF :- Indirect Expenditure	<u>3,039</u>	<u>4,470</u>	<u>1,431</u>	<u>0</u>	<u>1,431</u>	<u>68.0%</u>
<b>Net Expenditure</b>	<u>(3,039)</u>	<u>(4,470)</u>	<u>(1,431)</u>			
<b>307 Plain-an-Gwarry</b>						
4513 Play Equipment Maintenance	645	1,500	855		855	43.0%
4605 Waste	605	620	15		15	97.6%
Plain-an-Gwarry :- Indirect Expenditure	<u>1,250</u>	<u>2,120</u>	<u>871</u>	<u>0</u>	<u>871</u>	<u>58.9%</u>
<b>Net Expenditure</b>	<u>(1,250)</u>	<u>(2,120)</u>	<u>(871)</u>			
<b>320 Capital Expenditure</b>						
4504 Bus Shelters	0	2,000	2,000		2,000	0.0%
4508 Compound Rent	240	1,440	1,200		1,200	16.7%
4510 Vehicles	6,792	10,300	3,508		3,508	65.9%
Capital Expenditure :- Indirect Expenditure	<u>7,032</u>	<u>13,740</u>	<u>6,708</u>	<u>0</u>	<u>6,708</u>	<u>51.2%</u>
<b>Net Expenditure</b>	<u>(7,032)</u>	<u>(13,740)</u>	<u>(6,708)</u>			
<b>999 Ear Marked Reserves</b>						
1079 Income Grants	6,000	0	(6,000)			0.0%
1100 Income-Miscellaneous	10,000	0	(10,000)			0.0%
1102 Income - Donations	1,765	0	(1,765)			0.0%
Ear Marked Reserves :- Income	<u>17,765</u>	<u>0</u>	<u>(17,765)</u>			
4901 Town Clock EMR	61,143	31,090	(30,053)		(30,053)	196.7%

16:35

## Detailed Income &amp; Expenditure by Budget Heading 31/12/2019

Month No: 9

## Cost Centre Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
4902 Office Equipment EMR	0	13,225	13,225		13,225	0.0%
4903 Elections EMR	0	8,668	8,668		8,668	0.0%
4904 Playgrounds EMR	0	11,770	11,770		11,770	0.0%
4905 Grounds Equipment EMR	3,997	9,945	5,948		5,948	40.2%
4906 Footpaths EMR	0	333	333		333	0.0%
4907 Regeneration EMR	0	2,377	2,377		2,377	0.0%
4908 SK8 Park	1,186	25,252	24,066		24,066	4.7%
4909 Bus Shelters EMR	0	1,988	1,988		1,988	0.0%
4910 Station Hill Site EMR	0	1,200	1,200		1,200	0.0%
4911 Signs EMR	0	442	442		442	0.0%
4912 Training EMR	980	2,000	1,020		1,020	49.0%
4913 Website EMR	0	1,622	1,622		1,622	0.0%
4914 Building Contingency	0	16,882	16,882		16,882	0.0%
4915 Running Costs EMR	0	4,659	4,659		4,659	0.0%
4916 Fuel EMR	0	4,865	4,865		4,865	0.0%
4917 Receptions EMR	40	690	650		650	5.8%
4918 Tourism EMR	269	3,180	2,911		2,911	8.4%
4919 St Rumons Gardens EMR	750	750	0		0	100.0%
4920 Building Development EMR	0	1,390	1,390		1,390	0.0%
4921 Neighbourhood Plan EMR	10,478	7,743	(2,735)		(2,735)	135.3%
4922 Members Allowances EMR	0	1,952	1,952		1,952	0.0%
4923 Vehicles EMR	1,629	3,218	1,589		1,589	50.6%
4924 Mayors Allowance EMR	0	3,466	3,466		3,466	0.0%
4925 CCTV	2,871	6,723	3,852		3,852	42.7%
4926 Building Maintenance EMR	7,225	30,350	23,125		23,125	23.8%
4927 Public Realms	9	10,093	10,084		10,084	0.1%
4928 Christmas Lights EMR	0	1,479	1,479		1,479	0.0%
4929 Transition	62,731	139,602	76,871		76,871	44.9%
4930 Town Trail Leaflets	0	5,637	5,637		5,637	0.0%
4931 Toilets	0	15,348	15,348		15,348	0.0%
4932 Roundabouts	0	4,377	4,377		4,377	0.0%
4933 Kresen Kernow	0	2,815	2,815		2,815	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	9,000	9,000		9,000	0.0%
4937 Legacy	7,500	10,000	2,500		2,500	75.0%
4939 Pensions EMR	0	1,990	1,990		1,990	0.0%
4940 Events Contingency EMR	1,628	6,638	5,010		5,010	24.5%
4941 Memorial Day EMR	0	140	140		140	0.0%
4942 Advertising EMR	0	2,860	2,860		2,860	0.0%
4943 Market Way EMR	0	13,026	13,026		13,026	0.0%

## Detailed Income &amp; Expenditure by Budget Heading 31/12/2019

Month No: 9

## Cost Centre Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
4944 Library EMR	7,171	232,556	225,385		225,385	3.1%
4945 PWLB EMR	0	18,000	18,000		18,000	0.0%
Ear Marked Reserves :- Indirect Expenditure	<u>169,604</u>	<u>673,178</u>	<u>503,574</u>	<u>0</u>	<u>503,574</u>	<u>25.2%</u>
<b>Net Income over Expenditure</b>	<u>(151,839)</u>	<u>(673,178)</u>	<u>(521,339)</u>			
6000 plus Transfer from EMR	150,934					
6001 less Transfer to EMR	17,765					
<b>Movement to/(from) Gen Reserve</b>	<u>(18,670)</u>					
<b>Grand Totals:- Income</b>	<b>716,958</b>	<b>33,725</b>	<b>(683,233)</b>			<b>2125.9%</b>
<b>Expenditure</b>	<b>639,435</b>	<b>1,283,201</b>	<b>643,766</b>	<b>0</b>	<b>643,766</b>	<b>49.8%</b>
<b>Net Income over Expenditure</b>	<u>77,523</u>	<u>(1,249,476)</u>	<u>(1,326,999)</u>			
plus Transfer from EMR	151,879					
less Transfer to EMR	55,076					
<b>Movement to/(from) Gen Reserve</b>	<u>174,326</u>					



## REDRUTH TOWN COUNCIL

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### REPORT FOR: Meeting of the Audit & Accounting Governance Committee on 20<sup>th</sup> January 2020

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#### 1.0 **SUBJECT OF REPORT: To receive a report from Committee Members responsible for carrying out Internal Control Checks**

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#### 2.0 **SUMMARY OF IMPLICATIONS**

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

#### 3.0 **TERMS OF REFERENCE**

- 3.1 This Committee has agreed that checks on the Internal Controls would be carried out by Members of this Committee on a quarterly basis. This is the sixteenth report and covers the third quarter of the Financial Year 2019-20. The checks were carried out by Cllr's Brown and Ms Reeve on 13<sup>th</sup> January 2020.

#### 4.0 **REPORT**

- 4.1 In accordance with the agreed check list the following are findings in relation to the check of Internal Controls carried out by the undersigned.

##### **Bank Reconciliation**

BC1-4 This has been completed up to date as at 31<sup>st</sup> December 2019, with the balance reconciled. There were no differences and it was confirmed that the reconciled difference is nil.

##### **Receipts & Payments**

- RP1 A random selection of receipts & payments including FPOs and DDMs were selected to check since the last audit all were initialled correctly.
- RP2-3 All payments have been approved by RFO and correctly authorised.
- RP4 All invoice and cheque stubs have been authorised, and all cheque stubs and invoices were countersigned accordingly.
- RP5 All receipts have been identified correctly with regard to reason for payment and identity of payee. All Faster Payments made electronically are reference numbered.
- RP6 VAT has been correctly accounted for on all receipts and payments.
- RP7 The VAT return for the end of the third quarter was submitted on 6<sup>th</sup> January 2020, and was the first one under the "Making Tax Digital" procedures.
- RP8 PAYE return for December 2019 has been submitted for payment on 10<sup>th</sup> January 2020.
- RP9 Pension contributions are paid monthly. The payments for December 2019 were submitted on for payment on 10<sup>th</sup> January 2020.

##### **Computer Security**

- CS1 All equipment physically secure, one in reception chained, four others housed in lockable rooms.

- CS2 All equipment is security marked.
  - CS3 All PC's, linked to the server, are password protected - individuals have set their own passwords which are changed every 30 days.
  - CS4-5 Files are backed up through the server, which also has an internal back-up facility. In addition files are also backed up via Cloud with VisionICT.
  - CS6 A random check of websites visited was carried out on the Admin PC - there was nothing to cause any concern.
- ACTION: A different pc needs to be checked at the time of next visit.

### **Effectiveness of Internal Controls**

- IC1 Steve Hudson of Hudson Accounting was appointed as the Council's auditor at the July 2017 Audit & Accounting Governance Committee meeting. Contract expires at the end of financial year 2019/20
  - IC2 The IA is confirmed as independent of the Council.
  - IC3 All IA reports are made in his own name.
  - IC4 The Audit Plan iaw Appendix 9 of the Governance and Accountability for Local Councils – A Practitioners Guide (England) 2010 was approved at the meeting of the committee on 21st October 2014.
  - IC5 The internal audit will consist of two visits per year. The April visit carries out risk assessments. It also carries out wider internal controls.
  - IC6 The IA is considered by Council to be competent and has carried out the internal audit work ethically, with integrity and objectively.
  - IC7 Interim audits are now being carried out by members of the committee.
  - IC8 This is the sixteenth occasion that members have carried out audits, and the report will be presented at the Audit & Accounting Governance Committee Meeting.
- ACTION: Agree 2 new members of the committee to conduct the next audit.
- IC9 Regular budget monitoring is now carried out by the Audit and Accounting Governance Committee.
  - IC10 The Committee is asked to make responses and recommendations to this report at its next meeting.
  - IC11 Adequate insurance cover is in place including Public Liability which has now been increased at no extra charge from £10 million to £15 million with the Fidelity Guarantee cover increased to £2 million.
  - IC12 The Asset Register has been viewed and is up to date.
  - IC13 The Asset Register has been brought up to date as per the recommendations from the IA, and has been reconciled with the Insurance schedule.

### **Staffing**

- S1 Contracts of Employment for members of staff were available during this visit – these currently need updating to reflect the change of Spinal Column Points introduced in April 2019.
- ACTION: Amendments has been made and checked at next visit.
- S2 Annual leave forms were checked and all records have been updated.
  - S3 The TIEA, Grounds Staff, Off Administrator, Admin Asst and Library staff receive overtime. Management staff receives Time Off In Lieu (TOIL) unless otherwise agreed.

- S4 Employees are on the correct pay for their spinal column point.
- S5. Staff appraisals are currently being carried out. Staff 1-2-1's have been done for all staff and this was confirmed by checking a member of the library staff.

### **Health & Safety**

HS1 The Town Council Health & Safety Policy document has been produced and approved by the Amenities Committee meeting on 5<sup>th</sup> September, 2016. Document examined

HS2 The Accident Book and Fire Register were checked.

Fire alarm bell records were checked and found to be in order.

Fire extinguishers were checked and it was noted that these were due to be tested in Jan 2019). This has not been done and the company are to be hastened to get them all done.

There have been no accidents involving Council staff since the last Internal Control Check.

HS3 A selection of Risk assessments were checked and found to be in order.

HS4 An informal 'walk round' check was carried out with no major issues raised.

ACTION: Walk round checks to be continued on further audit visits.

#### **4.2 Proposal**

It is proposed that Members accept the report as read and that action is taken on the points raised before, or at, the next internal audit.

Cllr. M Brown  
Cllr. Ms D Reeve

13<sup>th</sup> January 2020

**REPORT FOR: Meeting of the Audit & Accounting Governance Committee on 20<sup>th</sup> January 2020**

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

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**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 31<sup>st</sup> March 2020 have been completed.
- 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 on October 2018. 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 31<sup>st</sup> MARCH 2020**

## **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 2020 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 Audit & Accounting Governance Committee (A&AG).
- 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 Audit & Accounting Governance 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 A&AG 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 A&AG 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 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.

#### **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 A&AG 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 5 of the Governance and Accountability for Smaller Authorities in England – A Practitioners Guide (England) 2019

**External Audit:**

The Council’s External Auditors, 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 A&AG Committee and the work on audit checks.
- the independent Internal Auditor who reviews the Council’s system of internal control;
- PKF Littlejohn LLP, the 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 A&AG 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 2018-2019 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 C Garrick  
Chairman  
Audit & Accounting Governance Committee

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

*These controls were approved at the meeting of the Audit & Accounting Governance Committee held on 20<sup>th</sup> January 2020*



**REPORT FOR: Meeting of the Council on 20<sup>th</sup> January 2020**

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**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 Governance & Accountability in Local Council – A Practitioners' Guide (2019), 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 A&AG Committee, or are included within the Internal Audit Checks carried out by Members of the A&AG 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

Accounts and Audit Regulations 2015 requires the RFO to have published, including on the authority's website or other 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.**

## Redruth Town Council - Risk Assessment of Financial Management 2019-2020

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							
<b>INSURABLE RISKS</b>								
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 A&AG Cmttee.	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 A&AG Committee.	Yes				

4	Loss of cash through theft or dishonesty (fidelity guarantee)	H	Regular audit of accounts and practices by A&AG 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 by A&AG Committee.	Yes				
<b>POLICY</b>								
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 A&AG Committee meetings; monthly bank reconciliations carried out by RFO, independently reviewed by audit checks	Yes	On-going training of an additional member of staff in use of financial management software	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 A&AG 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 A&AG Committee audit checks, and independent internal auditor.	Yes				
14	Ensuring the proper use of funds granted to local community bodies under specific powers or under section 137	M	Regular checks on limits carried out at Committee Meetings; regular budget monitoring statements at A&AG Committee meetings	Yes				

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				
	<b>PROCEDURES</b>							
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 A&AG Committee Meetings	Yes				
19	Monitoring of performance against agreed standards under partnership agreements	M	Developing systems of performance measurement	Not applicable at present time				
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 & off site back up with Vision ICT	Yes				
<b>Printed name of assessor:</b> P B BENNETT (and by Meeting of A&AG Committee on 20th January 2020)								
<b>Signature:</b>								
<b>Date: 20th January 2020</b>					<b>Review Date: January 2021</b>			