

**MAGHULL
TOWN
COUNCIL**

Maghull Town Hall

Hall Lane, Maghull,
Merseyside L31 7BB

Telephone: 0151 526 3705

Facsimile: 0151 520 0253

E-mail: info@maghull-tc.gov.uk

Web Site: maghull-tc.gov.uk

Dated this 12th Day of October 2017

NOTICE IS HEREBY GIVEN that a meeting of the AUDIT AND GOVERNANCE COMMITTEE will be held in the COUNCIL CHAMBER at MAGHULL TOWN HALL on WEDNESDAY 18th October 2017 at 6.30pm

Note: *DECLARATIONS OF INTEREST – If a Member requires advice on any item involving a possible declaration of interest which could affect his/her ability to speak and/or vote, he/she is advised to contact the Town Clerk at least 24 hours in advance of the meeting.*

A G E N D A

- 1 Apologies for Absence
- 2 Declarations of Interest
- 3 Public Participation
- 4 Minutes of the Previous Meeting – Minutes of the Meeting Held on 12th July 2017 are attached for approval (Pages 1-2)
- 5 **Internal Audit Reports: Quarter 4 2016/17 and Quarter 1 2017/18** - Members are asked to consider the Internal Audit Reports (Pages 3 – 10)
- 6 **External Auditors Report** – Members are asked to consider the report (Pages 11 - 18)
- 7 **Service Standards** - Members are asked to consider the report (Pages 19 - 20)
- 8 **General Data Protection Regulations 2018 (GDPR)** - Verbal report
- 9 **Fire Alarm System** - Verbal report
- 10 **Asset Register** - Verbal report
- 11 **Chair's Report** - for noting only



12 Exclusion of the Press and Public

That, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they contain exempt information under paragraphs 1, 2 and 3 of Part 1 of Schedule 12A of the Act, and it would not, on balance, be in the public interest to disclose the reports.

- 13 Update on Lease Agreements, Late Payers and Bad Debtors - Members are asked to note the report (Pages 21 - 24)**



**Miss A. McIntyre
Town Clerk & Treasurer**

MAGHULL TOWN COUNCIL
AUDIT & GOVERNANCE COMMITTEE MEETING
HELD 12TH JULY 2017

PRESENT – Councillor J. Sayers (In the Chair) and Councillors: Desmond, Hart, Roughley and Y Sayers.

ALSO PRESENT – A. Spencer (Deputy Town Clerk/ Operations and Contracts Manager), D. Healey (Finance Officer) and S. Larking (minutes).

1. APOLOGIES FOR ABSENCE – Apologies were received from Cllrs Carlsen and R. Deegan.

2. DECLARATION OF INTERESTS – None.

3. PUBLIC PARTICIPATION – None.

4. MINUTES OF THE PREVIOUS MEETING

RESOLVED that: The minutes of the meeting held on 19th April 2017 were a correct record.

5. INTERNAL AUDIT REPORT QUARTER 4 2016/17

The Finance Officer reported that the Internal Auditor had not completed the report for Quarter 4 as he was working on the report for the External Auditor. Cllrs were disappointed that the report was not available for the meeting.

RESOLVED that: The Internal Audit Report Quarter 4 to be tabled at the next meeting, 4 October 2017.

6. WORK PROGRAMME

The Deputy Town Clerk reported that there is ongoing work on Service Standards. A report will be presented at the next meeting. Cllrs asked for this to be a standing agenda item.

The Finance Officer reported that work on the Asset register is ongoing. Officers had debated a threshold of items over £100. Cllrs asked for Officers to provide advice on the threshold at the next meeting.

RESOLVED that:

- 1. Report on Service Standards to be presented at the next meeting and to be a standing agenda item.**
- 2. Advice on Asset threshold to be presented at the next meeting**
- 3. That the report be noted.**

7. PREVENTING FRAUD BY STAFF

The Finance Officer reported that guidance on antifraud, corruption and whistleblowing is promoted to staff and training is available. The systems are robust. The Deputy Town Clerk explained that PDRs are cascade from the Management team to staff and that there are opportunities to review training needs throughout the year. As long as there is a business case training will be supported.

The Finance Officer explained that a 2 stage process had been introduced for payments to reduce the risk of fraud. Advice had been sought from the Internal Auditor about process to ensure that false invoices were not processed to beneficiaries.

The Deputy Town Clerk reported that the Finance Officer had done a lot of good work to improve systems and process.

RESOLVED that: The report be noted.

8. EXCLUSION OF THE PRESS AND PUBLIC

Resolved that the press and public be excluded due to the confidential nature of the item under discussion.

9. UPDATE ON LEASE AGREEMENTS AND LATE PAYERS

The Deputy Town Clerk reported that Maghull Town Council have a number of fixed assets. Most lessees are up to date, with debts reduced or paid off. The Debtor Policy had worked well for one long standing debtor. Outstanding payments now being progressed in line with escalation policy. Going forward, Football Clubs would be asked to pay pitch hire up front in line with other service users.

Councillors noted the issues with maintenance of the tennis courts and asked what actions were being taken to ensure the Town Council's facilities are well maintained. The Deputy Town Clerk reported that there was a regular maintenance schedule in place. However, in the case of the bowling greens as there had been under investment it would be 2/3 years before the full benefits would be seen. A monitoring framework was in place to show the work programme and cost.

Councillors noted the increase in rent for the Venue and that the licensee had raised concerns about the increase. Councillors asked for a rent review to ensure that the rent is equitable.

RESOLVED that:

- 1. Officers to check that Venue rent is equitable**
- 2. Update on lease agreements and late payers to be a standing agenda item**
- 3. The Report be noted.**

10. CHAIR'S REPORT

No report given.

CHAIRMAN

**REPORT OF THE
TOWN CLERK**

To the Chair and Members
Meeting held 18 October 2017

5. Internal Audit Reports: Quarter 4 2016/17 and Quarter 1 2017/18

Sefton CVS have completed their internal audits for the final quarter of 2016/17 and the first quarter of 2017/18, the findings of which are found in the attached report. Sefton CVS are aware that Cllrs were disappointed that the Quarter 4 report was not ready to be presented to the meeting on 12th July.

Recommendation:

1. The reports be noted.



Sefton CVS

Supporting Local Communities

Private & Confidential
Town Clerk
Maghull Town Council
The Town Hall
Maghull
Merseyside
L31 7BB

18 July 2017

Dear Town Clerk,

We have completed our tenth quarterly visit in accordance with the agreed internal audit plan. I thank you and your staff for the help that we have received in carrying out the procedures.

As requested, I am reporting to you our findings so that any action which may be required by the council can be undertaken.

Our tests are performed on a sample basis and are designed to highlight potential problem areas that need addressing. They are not designed to identify all errors or instances of fraud that may occur.

Scope of work

This quarter we have performed work on your systems, concentrating on the following:

- Agree figures to core records
- Agree that Council's financial regulations have been met
- Bank reconciliation review
- Completion of Section 4 in Annual Return
- Nominal Activity Review
- Obtain annual accounts
- Review all income and expenditure especially over £5,000
- Review of council reports and minutes
- Review of payments of interest and principal in respect of loans are in accordance with agreed schedule
- Review grant expenditure
- Review proper legal power used on expenditure
- Value Added Tax review and testing
- Wages reconciliation to P35 and testing

Sefton Council for Voluntary Service, 3rd Floor, Suite 3b,
North Wing, Burlington House,
Crosby Road North, Waterloo, Liverpool, L22 0LG.
Tel: (0151) 920 0726 ext 235 email: steve.hughes@seftoncvcs.org.uk
Registered Charity No. 1024546 Company Limited by Guarantee No. 2832920

Agree figures to core records

The figures in the management accounts were agreed to the trial balance.
The debtors figure was agreed to the aged debtors analysis.
The creditors figure was agreed to the aged creditors analysis.
The bank balance was agreed to the bank reconciliation.
The cash balance was agreed to the petty cash records.

Agree that Council's financial regulations have been met

The Council's financial regulations dated April 2017 were discussed with the Financial Responsible Officer and compared to the results of tests carried out. The Council's financial regulations have been complied with.

Bank reconciliation review

The bank accounts have been reconciled.

Completion of Section 4 in Annual Return

Section 4 in the Annual Return has been completed.

Nominal Activity Review

Expenditure of £42,440.03 was charged to Nominal Ledger Account 9018 Section 106 Expenditure. The expenditure appeared to be in accordance with the terms of Section 106.

Youth Council income and expenditure has been transferred to Miscellaneous.

There were no other exceptional items in Nominal Activity.

Obtain Annual Accounts

The annual accounts are summarised in the Annual Return were agreed to the trial balance.

Review all income and expenditure especially over £5,000

All income and expenditure was reviewed. There were no exceptional items other than those noted under Nominal Activity Review.

Review of council reports and minutes

The Council Reports and Minutes were consistent with the accounts and Nominal Ledger.

Review of payments of interest and principal in respect of loans are in accordance with agreed schedule

The Loan Schedule in the accounts agrees to the Public Works Loan Board statements.

The closing capital balances on the trial balance agrees to the Public Works Loan Board statements.

There were differences between the trial balance and the Public Works Loan Board statements and the Loan Schedule in the split between principal repayments and interest payments. These have now been corrected.

Review grant expenditure

Provision of rooms for the community free of charge is no longer reported to the Council under s137.

Room provision was made free of charge:

Organisation	2016-17	2015-16
	£	£
Tai Chi	2,855.00	2,712.25
St Johns Ambulance	5,952.68	6,038.33
Indoor Bowls	9,364.40	
Women's Institute	2,098.44	3,083.40
Maghull in Bloom	2,226.64	1,713.00
U3A Games Group	1,112.30	1,089.60
KGV Whist	737.75	510.75
Yarnigans	1,044.20	28.00
Citizens Advice Bureau	2,497.00	3,439.05
NAWC	896.65	885.30
Maghull Ramblers	171.28	
Sefton Art Group Spring Exhibition		1,261.00
Chess Club		408.60
Youth Night		1,901.13
Total	28,956.34	23,070.41

Review proper legal power used on expenditure

The Financial Regulations have been updated to reflect the new arrangements for payment by BACS whereby the payments are created by the Finance Office and approved by the Town Clerk or Deputy Town Clerk.

The BACS sheets should be signed by the Town Clerk or Deputy Town Clerk as evidence that they have been authorised.

Not all purchase invoices have been initialled as authorised by both the Town Clerk and the Finance Officer.

Value Added Tax review and testing

The VAT return for the quarter ended 31 March 2017 appears to have been correctly completed.

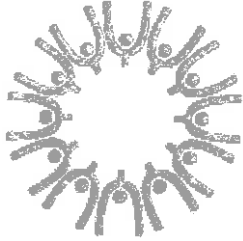
Would you please write to me with any comments you may have regarding the points raised above.

Kind regards.

Yours sincerely,

Steven Hughes
Community Accountant
Sefton Council for Voluntary Service

Quarter 1.



Sefton CVS

Supporting Local Communities

Private & Confidential
Town Clerk
Maghull Town Council
The Town Hall
Maghull
Merseyside
L31 7BB

4 October 2017

Dear Town Clerk,

We have completed our eleventh quarterly visit in accordance with the agreed internal audit plan. I thank you and your staff for the help that we have received in carrying out the procedures.

As requested, I am reporting to you our findings so that any action which may be required by the council can be undertaken.

Our tests are performed on a sample basis and are designed to highlight potential problem areas that need addressing. They are not designed to identify all errors or instances of fraud that may occur.

Scope of work

This quarter we have performed work on your systems, concentrating on the following:

- Function Suite Lease Compliance
- Related party transaction procedures
- Review of Business Continuity Plans
- Review of council reports and minutes
- Review of financial regulations & Standing Orders
- Review of Fixed Assets
- Review of Risk Register
- Review of Sage system on Sage and appropriate coding

Sefton Council for Voluntary Service, 3rd Floor, Suite 3b,
North Wing, Burlington House,
Crosby Road North, Waterloo, Liverpool, L22 0LG.
Tel: (0151) 920 0726 ext 235 email: steve.hughes@seftoncvcs.org.uk
Registered Charity No. 1024546 Company Limited by Guarantee No. 2832920

Function Suite Lease Compliance

The lease dated 30 May 2013 with Anthony Simons states that the monthly fee is £1,950. The fee increases by the higher of 5% or the RPI with effect from 1 April each year. The lease is for 36 months.

The monthly fee was increased to £2,047.50 (£1,995.00 plus 5%) in 2014-15. The monthly fee was increased to £2,149.87 (£2,047.50 plus 5%) in 2015-16. The monthly fee was not increased from £2,149.87 in 2016-17.

The monthly fee for 2016-17 should have been £2,257.36 (£2,149.87 plus 5%).

The monthly fee for 2017-18 should be £2,370.23 (£2,257.36 plus 5%) on the basis of the lease. However the lease expired on 30 May 2016. The lessee is refusing to pay the increased rate. A new lease is required.

Related party transactions procedures

A Members' Register of Interests is maintained. This was reviewed and appeared to be complete and correct with the following minor exceptions: The Members' Register of Interests for Caroline Esterson was not signed. The Members' Register of Interests for Patrick McKinley was dated 28 July 2012 and was not on the current form, which requires more information.

Review of Business Continuity Plans

We reviewed the Business Continuity Plan. The plan appeared to be satisfactory.

Review of council reports and minutes

The council reports and minutes raised the following issues:
Melanja Dance School to be pursued for non-payment.
New lease to be agreed with Maghull Cricket Club.

Review of financial regulations & Standing Orders

The Financial Regulations dated April 2017 and approved by the Council on 24 May 2017 were reviewed. The Financial Regulations were consistent with the minutes of Council meetings.

Review of Fixed Assets

The Audit and Governance Committee Meeting held on 19 April 2017 was informed that the fixed asset register is being revised to include all assets over £100 including the Mayoral chain.

The fixed asset register is being maintained.

Review of Risk Register

The risk register should be revised to cover the fact that that cash is now banked by the Town Council staff. The risk register should cover the risk to cash and risk to staff.

Review of Sage system

The accounting records are now all on one Sage account, which is much clearer. The postings to Sage appear to be correct.

Would you please write to me with any comments you may have regarding the points raised above.

Kind regards.

Yours sincerely,

Steven Hughes
Community Accountant
Sefton Council for Voluntary Service

**REPORT OF THE
TOWN CLERK**

To the Chair and Members
Meeting held 18 October 2017

6. External Auditor's Report

Members will recall that it was agreed at the last Full Council meeting that the External Auditor's report would be referred to Audit and Governance Committee for review once it had been received as it had not been received in time for Full Council. The External Auditor's report has now been received and it attached for review.

Recommendation:

1. That the report be noted.

Miss A E McIntyre
Maghull Town Hall
Hall Lane
MAGHULL
Merseyside
L31 7BB

27 September 2017
our ref: 2017/B2/MAGH01/FINAL
Dial: 023 8088 1737
Email: councilaudits@bdo.co.uk

Dear Miss McIntyre

Maghull Town Council - Audit for the year ended 31 March 2017

We have now completed the above audit. Please find enclosed the following documents;

- ☒ Fee Note
- Notice of Conclusion of Audit
- Notes regarding the advertisement of the Conclusion of the Audit
- Contact details
- Annual Return

There were no matters which came to our attention which required the issuing of a separate additional issues arising report.

The enclosed annual return should be presented to the smaller authority, now that our audit opinion has been given, and a minute should be made to show that the annual return including our certificate has been approved and accepted by the smaller authority. The annual return and notice of conclusion of audit must be published for at least 14 days (including on the smaller authority's website*) as soon as reasonably possible before the 30 September 2017 and must be made available for public access for a period of not less than five years.

BDO LLP are not your appointed auditor for the year ended 31 March 2018 onwards. Smaller Authorities' Audit Appointments (localaudits.co.uk) will be able to advise who your new auditor is, if you have not yet been notified. We thank you for all your assistance over the years we have worked with you and wish you a smooth transition to your new auditor.

Yours sincerely



Mrs Emma Prince
For and on behalf of BDO LLP

Enc.

*In the case of a parish meeting and where the meeting has displayed the information in a conspicuous place for at least 14 days, publication on a website does not apply.



Local Councils, Internal Drainage Boards and other Smaller Authorities in England Annual return for the year ended 31 March 2017

Every smaller authority in England with an annual turnover of £6.5 million or less must complete an annual return at the end of each financial year in accordance with proper practices summarising its activities. In this annual return the term 'smaller authority'* includes a Parish Meeting, a Parish Council, a Town Council and an Internal Drainage Board.

The annual return on pages 2 to 4 is made up of three sections:

- Sections 1 and 2 are completed by the smaller authority. **Smaller authorities must approve Section 1 before Section 2.**
- Section 3 is completed by the external auditor.

In addition, the **internal audit report** is completed by the smaller authority's internal audit provider.

Each smaller authority must approve Section 1 and Section 2 in order and in accordance with the requirements of the Accounts and Audit Regulations 2015.

Completing your annual return

Guidance notes, including a completion checklist, are provided on page 6 and at relevant points in the annual return.

Complete all highlighted sections. Do not leave any highlighted box blank. Incomplete or incorrect returns require additional external auditor work and may incur additional costs.

Send the annual return, together with the bank reconciliation as at 31 March 2017, an explanation of any significant year on year variances in the accounting statements, **your notification of the commencement date of the period for the exercise of public rights** and any additional information requested, to your external auditor by the due date.

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

Once the external auditor has completed their work, certified annual returns will be returned to the smaller authority for publication and public display of Sections 1, 2 and 3. You must publish and display the annual return, including the external auditor's report, by 30 September 2017.

It should not be necessary for you to contact the external auditor for guidance.

More guidance on completing this annual return is available in the Practitioners' Guide that can be downloaded from www.nalc.gov.uk or from www.slcc.co.uk or from www.ada.org.uk

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

Section 1 – Annual governance statement 2016/17

We acknowledge as the members of:

Enter name of smaller authority here:

Maghull Town Council

our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2017, that:

	Agreed		Yes means that this smaller authority:
	Yes	No	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and proper practices that could have a significant financial effect on the ability of this smaller authority to conduct its business or on its finances.	✓		has only done what it has the legal power to do and has complied with proper practices in doing so.
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	✓		during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
5. 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.	✓		considered the financial and other risks it faces and has dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		responded to matters brought to its attention by internal and external audit.
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this smaller authority and, where appropriate have included them in the accounting statements.	✓		disclosed everything it should have about its business activity during the year including events taking place after the year-end if relevant.
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	NA
			✓
			has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.

This annual governance statement is approved by this smaller authority on:

24/05/2017

and recorded as minute reference:

12

Signed by Chair at meeting where approval is given:

[Signature]

Clerk:

[Signature]

*Note: Please provide explanations to the external auditor on a separate sheet for each 'No' response. Describe how this smaller authority will address the weaknesses identified.

Clean Copy exactly the same figures underneath. D.H
26/6/17.

Section 2 – Accounting statements 2016/17 for

Enter name of smaller authority here:

[Redacted box]

	Year ending		Notes and guidance				
	31 March 2016 £	31 March 2017 £					
1. Balances brought forward	637,258	629,479	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.				
2. (+) Precept or Rates and Levies	566,124	575,548	Total amount of precept (or for IDBs, rates and levies) received or receivable in the year. Exclude any grants received.				
3. (+) Total other receipts	132,297	158,748	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.				
4. (-) Staff costs	329,855	335,646	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.				
5. (-) Loan interest/capital repayments	68,613	68,613	Total expenditure or payments of capital and interest made during the year on the smaller authority's borrowings (if any).				
6. (-) All other payments	307,732	300,846	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).				
7. (=) Balances carried forward	629,479	658,670	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6)				
8. Total value of cash and short term investments	910,917	845,977	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.				
9. Total fixed assets plus long term investments and assets	2,675,289	2,676,446	This cell shows the value of all the property the authority owns. It is made up of its fixed assets and long-term investments.				
10. Total borrowings	459,282	412,669	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).				
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	<table border="1"> <tr> <td>Yes</td> <td>No</td> </tr> <tr> <td></td> <td></td> </tr> </table>		Yes	No			The Council acts as sole trustee for and is responsible for managing Trust funds or assets. N.B. The figures in the accounting statements above do not include any Trust transactions.
Yes	No						

I certify that for the year ended 31 March 2017 the accounting statements in this annual return present fairly the financial position of this smaller authority and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer:

D. Healey

Date

24/05/2017

I confirm that these accounting statements were approved by this smaller authority on:

24/05/2017

and recorded as minute reference:

12

Signed by Chair at meeting where approval is given:

[Signature]

Section 3 – External auditor report and certificate

In respect of:

Enter name of
smaller authority here:

MAGHULL TOWN COUNCIL

1. Respective responsibilities of the body and the auditor

This smaller authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The smaller authority prepares an annual return in accordance with proper practices which:

- summarises the accounting records for the year ended 31 March 2017; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

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

2. 2016/17 External auditor report

(Except for the matters reported below)* on the basis of our review of the annual return, in our opinion the information in the annual return is in accordance with proper practices and no other matters have come to our attention giving cause for concern that relevant legislative and regulatory requirements have not been met. (*delete as appropriate).

(continue on a separate sheet if required)

Other matters not affecting our opinion which we draw to the attention of the smaller authority:

(continue on a separate sheet if required)

3. 2016/17 External auditor certificate

We certify/~~do not certify~~* that we have completed our review of the annual return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2017.

* We do not certify completion because:

External auditor signature BDO LLP

External auditor name BDO LLP Southampton Date 26/9/17
United Kingdom

Note: The NAO issued guidance applicable to external auditors' work on 2016/17 accounts in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)

Annual internal audit report 2016/17 to

Enter name of smaller authority here:

Maghull Town Council

This smaller authority's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2017.

Internal audit has been carried out in accordance with this smaller authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this smaller authority.

Internal control objective	Agreed? Please choose only one of the following		
	Yes	No	Not covered**
A. Appropriate accounting records have been kept properly throughout the year.	✓		
B. This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This smaller authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
G. Salaries to employees and allowances to members were paid in accordance with this smaller authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic and year-end bank account reconciliations were properly carried out.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		

K. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable
			✓

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

Name of person who carried out the internal audit **STEVEN HUGHES MAAT, FCIE**

Signature of person who carried out the internal audit *Shgh* Date **19/07/2017**

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, internal audit must explain why not (add separate sheets if needed).

Guidance notes on completing the 2016/17 annual return

1. You must apply proper practices for preparing this annual return. Proper practices are found in the Practitioners' Guide* which is updated from time to time and contains everything you should need to prepare successfully for your financial year-end and the subsequent work by the auditor. NALC, SLCC and ADA have helplines if you want to talk through any problem you encounter.
2. Make sure that your annual return is complete (i.e. no empty highlighted boxes), and is properly signed and dated. Avoid making amendments to the completed return. Any amendments must be approved by the smaller authority, properly initialled and explanation provided. Annual returns containing unexplained or unapproved amendments may be returned and incur additional costs.
3. **Smaller authorities must approve Section 1 on page 2 before approving Section 2 on page 3.**
4. Use the checklist provided below. Use a second pair of eyes, perhaps a Councillor or Board Member, to review the annual return for completeness and accuracy before sending it to the external auditor.
5. Do not send the external auditor any information not specifically asked for. Doing so is not helpful. However, you must tell the external auditor about any change of Clerk, Responsible Finance Officer or Chair.
6. Make sure that the copy of the bank reconciliation which you send to your external auditor with the annual return covers all your bank accounts. If your smaller authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree your bank reconciliation to Box 8 on the accounting statements (Section 2 on page 3). You must provide an explanation for any difference between Box 7 and Box 8. More help on bank reconciliation is available in the Practitioners' Guide*.
7. Explain fully significant variances in the accounting statements on page 3. Do not just send in a copy of your detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include a complete numerical and narrative analysis to support your explanation. There are a number of examples provided in the Practitioners' Guide* to assist you.
8. If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or you do not fully explain variances, this may incur additional costs for which the auditor will make a charge.
9. **You must inform the external auditor of the date set for the commencement of the period for the exercise of public rights.**
10. Make sure that your accounting statements add up and the balance carried forward from the previous year (Box 7 of 2016) equals the balance brought forward in the current year (Box 1 of 2017).
11. Do not complete Section 3 which is reserved for the external auditor.

Completion checklist – 'No' answers mean you may not have met requirements		Done?
All sections	All highlighted boxes have been completed?	
	All additional information requested, including the dates set for the period for the exercise of public rights , has been provided for the external auditor?	
Section 1	For any statement to which the response is 'no', an explanation is provided?	
Section 2	Smaller authority approval of the accounting statements is confirmed by the signature of the Chair of the approval meeting?	
	An explanation of significant variations from last year to this year is provided?	
	Bank reconciliation as at 31 March 2017 agreed to Box 8?	
	An explanation of any difference between Box 7 and Box 8 is provided?	
Sections 1 and 2	Trust funds – all disclosures made if a Council is a sole managing trustee? NB: Do not send trust accounting statements unless requested.	
Internal Audit report	All highlighted boxes completed by internal audit and explanations provided?	

*Note: The Practitioners' Guide is available from your local NALC, SLCC or ADA representatives or from www.nalc.gov.uk or www.slcc.co.uk or www.ada.org.uk.

**REPORT OF THE
TOWN CLERK**

To the Chair and Members
Meeting held 18 October 2017

7. Service Standards

At a meeting of this committee in April 2017, Members approved the introduction of service standards in order to improve improve efficiency, enhance working cultures and provide accountability.

Since this meeting, officers have continued to review systems, processes and evidence collection in order to effectively monitor these standards.

Officers are now in a position to provide a narrative indicating progress against each standard. Whilst this is a first attempt, moving forward, officers intend to create a dashboard for each committee meeting to clearly indicate targeted performance, performance against that target, direction of travel (where possible) and a short narrative to indicate why or why not targeted performance is/is not being achieved.

This dashboard will be presented at the next meeting of this committee.

Team Service Standard Applies To	Description of Service Standard	Progress
Administration	Respond to social media communication within 1 working day.	<ul style="list-style-type: none"> Monitoring methodology is still to be developed.
Administration	Process invoices within 30 working days of receipt.	<ul style="list-style-type: none"> 255 invoices from suppliers received from 1 April – 31 August 96.5% paid in 30 days.
Administration	Raise invoices within 10 working days of schedule being released.	<ul style="list-style-type: none"> 11 invoices issued monthly. In addition quarterly, annual and adhoc invoices issued. 79 invoices issued from 1 April 2017 – 31 August 2017
Administration	All debtors to be pursued within 30 working days of non-payment.	<ul style="list-style-type: none"> Monitoring methodology is still to be developed.
Engineering	Inspect and remove graffiti of a racial or obscene nature from Council property within 72 hours of being reported / inspected.	<ul style="list-style-type: none"> Maghull Town Council has received 0 reports of graffiti of a racial or obscene nature.

**REPORT OF THE
TOWN CLERK**

To the Chair and Members
Meeting held 18 October 2017

Team Service Standard Applies To	Description of Service Standard	Progress
Engineering	Inspect and remove graffiti of non-racial or non-obscene nature from Council property within five working days of being reported / inspected.	<ul style="list-style-type: none"> Maghull Town Council has received 3 reports of non-racial or non-obscene graffiti, all of which were removed within five working days.
Engineering	Remove graffiti from private property (for a charge) within 10 working days of being requested.	<ul style="list-style-type: none"> Maghull Town Council has received 0 requests to remove graffiti from private property.
Engineering	Inspect play areas and play equipment each month. For emergency repairs – complete or removed within 1 working day. For non-emergency repairs – complete as soon as possible	<ul style="list-style-type: none"> Play equipment has been inspected every fortnight. 0 emergency repairs identified 5 non-emergency repairs completed.
Engineering	Annually, instruct an independent body to inspect all play areas and play equipment, and follow recommendations of any report.	<ul style="list-style-type: none"> An annual inspection of Maghull Town Council play equipment was completed by RoSPA in July 2017. The report indicated that minor repairs were required to some items of play equipment; which have since been actioned.
Grounds Maintenance	Cut grass in parks and open spaces at least once per month.	<ul style="list-style-type: none"> All parks and open spaces are currently cut once per week.
Grounds Maintenance	Cut hedges in parks and open spaces at least twice per year.	<ul style="list-style-type: none"> Hedge cutting has commenced, and will continue up to spring 2018. Grounds Maintenance Officers will maintain all hedges during the spring and summer months, once initial hedge cutting is completed during autumn and winter 2017.

Recommendation

1. That the report be noted.