

BERKHAMSTED TOWN COUNCIL

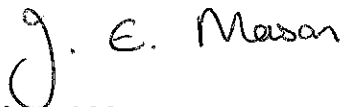
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6 February 2018

SUMMONS TO ALL MEMBERS OF THE COUNCIL

Notice is hereby given that an **Extraordinary** meeting of **Berkhamsted Town Council** will be held in the Council Chamber, Civic Centre, Berkhamsted on **Monday 12 February 2018 at 7.15 pm** for the purpose of transacting the business set out in the agenda below and you are hereby summoned to attend. (This meeting will be followed by a meeting of the Town Planning Committee which will start at approximately 7.45 pm.)


Mrs J Mason
Town Clerk

MEMBERS:

Councillors Mrs C Green – Town Mayor
A Armytage
S Bateman
S Beardshaw
D Collins
E Collins
G Corry
F Earl
J Jones
P B Matthews
B Newton
Dr I M Reay
T Ritchie
G Stevens
G Yearwood

MEMBERS OF THE PUBLIC ARE INVITED TO ALL MEETINGS OF THE TOWN COUNCIL

FC 16/18 Apologies for absence

To receive apologies for absence.

FC 17/18 Declarations of Interest

To receive **declarations of interest** regarding items on the agenda.

FC 18/18 Minutes of Last Meeting

To receive and approve the **minutes of the Meeting of the Full Council** held on 22 January 2018.

FC 19/18 Town Mayor's Communications

Deferred.

FC 20/18 Public Participation

To suspend Standing Orders to **allow any member of the public present to speak**.

FC 21/18 Transport and Environment Committee

To **receive and adopt** the minutes of the meeting held on 29 January 2018 (previously circulated)

FC 22/18 Play area at Normandy Drive / Dellfield

Following a recommendation made at the T & E Committee on 29 January 2018 to **RESOLVE** that the Town Council should contribute £5,000 from its CIL funds towards DBC's refurbishment and upgrade of the Normandy Drive play area. The total cost will be in the region of £20,000. (TE 11/18 refers.)

FC 23/18 Statement of Internal Control

To receive and adopt the Town Council's Statement of Internal Control February 2018 (attached).

FC 24/18 Speakers for Annual Town Meeting 26 April 2018

To consider.

JEM 060218

Berkhamsted Town Council

Statement of Internal Control

Received at Full Council Meeting 12 February 2018 – FC 23/18

1. Introduction

Berkhamsted Town Council is mainly funded by public money and is responsible for ensuring that its financial activities are conducted in accordance with the law and proper practice. This is to ensure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. Therefore a robust system of internal control is applied.

These controls are drawn up in accordance with the document "Governance and Accountability in Local Councils: a Practitioners Guide March 2017". The review of the Council's system of internal control is informed by the work of the Town Clerk, other officers and elected representatives together with Internal and External Auditor input and advice from bodies such as NALC and HAPTC.

2. Roles and Responsibilities

The Town Clerk is the Responsible Financial Officer (RFO) to whom the day to day responsibility for internal control is delegated, reporting to the Finance and Policy Committee and Full Council, as appropriate. The RFO's work is supported by the Finance Officer who undertakes day to day work associated with receipts and payments, compiles reports, reconciles bank accounts, completes and submits the quarterly VAT return and assists with budget monitoring and preparation of the year end returns. The Sage 50 software package is used. Payroll services are provided by David Lindon and Co, Chartered Accountants. Year-end financial statements and year end close down services are provided by DCK Accounting Services

The following is a summary of the internal controls set in place to provide effective financial management throughout the year and to enable the preparation of accounting statements. Such a system of control enables the Town Council to respond in the affirmative to statements asked in the Annual Governance Statement which forms section 1 of the Annual Return to the External Auditors (with effect the review of the 2017 -18 accounts this will be known as the Annual Governance and Accountability Return).

3. Standing Orders and Financial Regulations

The Town Council's Standing Orders and Financial Regulations govern the activities of the Town Council's officers and members. They include provisions for securing competition and regulating the manner in which tenders are invited. Both documents are reviewed at least annually and in the light of changes to legislation or circumstances, so that they remain fit for purpose. The most recent review was at Full Council on 18 December 2017.

4. Safe and Efficient Arrangements for Safeguarding Public Money

Managing the Town Council's internal controls is an integral part of the of the Town Clerk's duties as Responsible Financial Officer, supported by the work of the Finance Officer. The Town Clerk, in conjunction with Town Councillors (through the work of the Finance and Policy Committee and Full Council) review the arrangements for the safeguarding of funds, as set out in the Financial Regulations already referred to and the Investment Strategy. Both are reviewed annually. The latter document examines the risk associated with and proposals for investing the Town Councils funds and reserves. The largest single cost to the Town Council is staff salaries. Remuneration payable to employees is approved by the F & P Committee and endorsed by Full Council. Payroll and associated pension and HMRC deductions are administered by D Lindon and Associates in accordance with the prevailing legislation and regulations. Such scrutiny and division of responsibility further serve to safeguard public money. The Town Council's insurance policy includes Fidelity Guarantee cover (currently £500,000).

5. Risk Management

All aspects of the Town Council's undertakings and activities are assessed and rated in terms of associated risk and actions required in mitigation. These are set out in a document entitled Risk Register and Assessment. This is reviewed throughout the year by the Town Clerk and at least once by Full Council during each financial year. Appropriate steps are taken to manage the risks identified including the establishment of internal controls referred to within this document and also through the provision of appropriate levels of insurance cover.

6. Internal Audit

The Town Council's Internal Audit service is provided by Auditing Solutions Ltd. Internal Audit visits are made twice a year. The Internal Auditor's report is presented to and discussed in Full Council. Recommendations made are considered and any necessary changes made to procedures. The Town Clerk prepares a response for the Internal Auditor to update him on the Town Council's discussions in this respect.

A review of Internal Audit was undertaken in 2017 by Cllrs B Newton and D Collins. This was reported to Full Council on 22 May 2017. The Practitioners' Guide recommends that such reviews take place every three years. Therefore the next review will take place by May 2020 or beforehand should there be a change of Internal Auditors.

7. External Audit

Up until and including the financial year 2016/17 the Town Council's External Auditor was BDO LLP. With effect from the financial year 2017/18 PKF Littlejohn LLP has been appointed, for a 5 year period. The Town Council takes account of all matters brought to its attention by the External Auditors. Recommendations are reported to Full Council, a suitable course of action agreed, minuted and the External Auditor advised.

8. Budgetary Control

The budget for the year is reviewed routinely and regularly by the Town Clerk and more formally at every meeting of the Finance and Policy Committee. At these meetings reports showing actual income and expenditure compared to budget are presented and discussed. Budget setting for the next financial year commences in late Summer when committees and working groups are asked to review budget requirements for the coming year and make any recommendations. The Town Clerk draws up draft proposals which are discussed informally and then presented to F & P for discussion and refinement. These proposals are then presented to Full Council for discussion and approval. The Town Clerk also presents a paper to Full Council setting out proposals for the precept demand to DBC for the coming year. This is similarly discussed and approved at Full Council. The completed Precept Form setting out the precept demand is signed by three Councillors (including the Town Mayor) and sent to DBC, usually before the end of January.

9. Financial Control Systems

At the root of all financial systems are the records of receipts and payments, which at Berkhamsted Town Council are input by the Finance Officer via the Sage 50 computerised accounting system. Such records are kept up to date and verified against bank statements. These reconciliations are carried out for all accounts by the Finance Officer on a monthly basis, then checked and counter signed by the Town Clerk. In accordance with Financial Regulations a Councillor sitting on the F & P Committee checks and signs reconciliations on a quarterly basis. Receipts and payment schedules are presented to each F & P Committee for scrutiny and transparency purposes.

Orders for goods and services are placed via official order or detailed supporting correspondence which can be in e-mail or letter form. On receipt invoices (including direct debits) are checked for accuracy (actual delivery, price, VAT, description, arithmetic) by the Finance Officer. A stamp is applied to the invoice and duly completed and annotated by the Finance Officer. The Finance Officer, or if absent the Town Clerk, will prepare a cheque. This will be signed by two authorised Councillor signatories and one officer (either the Finance Officer or the Town Clerk). The appropriate boxes are signed by two Councillors and the Town Clerk, who also check the invoice detail against those on the cheque. Councillor signatories also initial each cheque stub. Direct debit invoices are authorised in the same way but without the need to prepare a cheque.

Allotment records are maintained on the Colony software system by the Finance Officer. This system is not integrated with Sage so invoices generated through Colony are input separately into Sage. Debt arising from unpaid income is rare. However, non-payment is always followed up. This is carried out initially by the Finance Officer who will contact those who have not paid invoices by the date requested. If, following such action and any further contact, payment is still not made then Town Clerk will also make contact with the individuals concerned. Depending

on the outcome, the Town Clerk would advise the Finance Officer whether the amount outstanding should be written off.

Petty cash is locked in the Finance Office (maximum balance £225) and utilised for small items of expenditure and reimbursed to staff members on production of appropriate invoices and completion of a petty cash voucher. Petty cash is reconciled on a monthly basis by the Finance Officer and checked by the Town Clerk who also signs the reconciliation.

Cheque books and pass books are stored in lockable cabinets in the Finance Office. Access to computerised finance records is by secure passwords and the Town Clerk holds a password for "read only" access. The Town Council offices can be accessed by key pad code only and are also protected by alarms out of hours.

10. General Power of Competence

The Town Council has adopted the General Power of Competence. Eligibility to use this power will be reviewed after the elections in May 2019.

JEM 060218