

BERKHAMSTED TOWN COUNCIL

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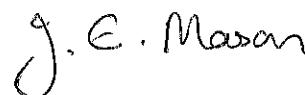
Civic Centre
161 High Street
Berkhamsted
Herts
HP4 3HD

20 June 2017

SUMMONS TO ALL MEMBERS OF THE COUNCIL

Notice is hereby given that a meeting of **Berkhamsted Town Council** will be held in the Council Chamber, Civic Centre, Berkhamsted on **Monday 26 June 2017 at 7.30 pm** for the purpose of transacting the business set out in the agenda below and you are hereby summoned to attend.

The meeting will be followed by a meeting of the Town Planning Committee. This will be at approximately 8.30 pm.



Mrs J Mason
Town Clerk

MEMBERS:

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

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

FC 65/17 Apologies for absence

To receive apologies for absence.

FC 66/17 Declarations of Interest

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

FC 67/17 Minutes of Last Meeting

To receive and approve the **minutes of the Annual Meeting of the Council** held on 22 May 2017.

FC 68/17 Town Mayor's Communications

(date in brackets is date circulated to Council)

- (i) NALC Newsletter - 7 June 2017
(7 June 2017)
- (ii) The Hospice of St Francis News
(12 June 2017)
- (iii) NALC Chief Executive's Bulletin 21 - 9 June 2017
(12 June 2017)
- (iv) Invitation to County, Parish and Town Council Annual Partnership Meeting on Monday 3 July 2017 at 1.30pm - 4.30pm.
(16 June 2017)

FC 69/17 Public Participation

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

AUDIT and ACCOUNTS

FC 70/17 Internal Audit Inspection 2015/16:

- (i) To note that the inspection took place on Thursday 1 June 2017 and that part 4 of the Annual Return form "Annual Internal Audit Report" was completed and signed by the Internal Auditor. This confirmed that internal control objectives had been achieved during the year with the exception of c (risk assessments) and the internal auditor elaborated on this matter in his report. The Town Clerk will also include her letter to the internal auditor (see iii below) as a submission to accompany the Annual Return when it is sent to the external auditors.
- (ii) To receive and adopt the internal audit report dated 9 June 2017 and associated recommendations (attached).
- (iii) To receive the Town Clerk's proposed response to the internal auditor (to follow).

FC 71/17 Annual Accounts for the Year Ended 31 March 2017:

- (i) To approve the Annual Governance statement for 2016/17, for signature by the Town Mayor and Clerk (papers attached);
- (ii) Town Clerk to certify the Accounting Statements for 2016/17 by signing and dating (papers attached);
- (iii) Town Council to approve the Accounting Statements for 2016/17. The Town Mayor will then sign and date to confirm such approval.
- (iv) To receive and approve the unaudited Financial Statements for the year ended 31 March 2017; the Town Mayor and the Clerk as Responsible Financial Officer to sign and date the balance sheet at page 7 (papers attached).

STANDING COMMITTEES

To receive and adopt the minutes of the:

FC 72/17 Town Planning Committee

Held on: 5 June 2017*

FC 73/17 Transport & Environment Committee

Held on: 12 June 2017*

FC 74/17 Finance & Policy Committee

Held on 19 June 2017**

*Previously circulated

**To follow

WORKING GROUPS

FC 75/17 CARP

To receive and approve the notes of the meeting held on 7 June 2017 (previously circulated).

FC 76/17 ITEMS ARISING FROM T & E 12 JUNE 2017

- i. To adopt the **Castle Site Working Group** terms of reference (TE 50/17);
- ii. To adopt the revised **Parking Forum** terms of reference (TE 58/17 i);
- iii. To endorse the proposal made at the **Parking Forum** on 24 May 2017 that the Town Council should raise technical issues with DBC previously tabled by the Working Party, especially bay sizes.
- iv. To endorse the proposal regarding **DBC sports centres, athletic and community sports services contract** (TE 57/17);

- v. **CIL Working Group** – to note and approve the resolution (TE52/17 ii a – e refer).
- vi. **Replacement of Mature Trees in High Street** – to discuss in the light of the Town Clerk's recent correspondence with the portfolio holder, to receive any feedback and agree any further representations/action (correspondence to follow).

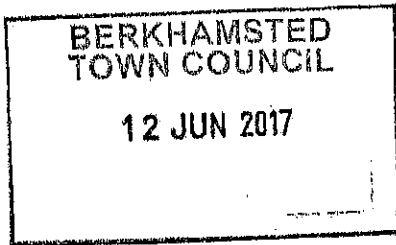
FC 77/17 Representation on outside bodies and Joint Committees

- i. Berkhamsted Parochial Charities – To **RESOLVE** that Mrs E Hodgson be appointed to fill the current vacancy amongst members of the public nominated by the Town Council;
- ii. Bourne's Educational Foundation and Salter Education Foundation – To **make proposals** to fill current vacancies; one nominee from amongst members of the public on both charities.

FC 78/17 Grenfell Tower Fire

- i. To express the Town Council's condolences to all affected;
- ii. To consider whether the Town Council might contribute to initiatives to help survivors, for example via the Evening Standard's Dispossessed Fund or the Red Cross, and to **RESOLVE** an appropriate sum.

JEM 19/06/2017



Berkhamsted Town Council

Internal Audit Report 2016-17 (Final Update)

John Watson

Auditing Solutions Ltd

Background

All town and parish councils are required by statute to make arrangements for an independent internal audit examination of their accounting records and system of internal control and for the conclusions to be reported each year in the Annual Return. Auditing Solutions Ltd has provided this service to the Council since 2008-09.

This report sets out the work undertaken in relation to the 2016-17 financial year, during the course of our two visits to the Council, which took place on 5th December 2016 and on 1st June 2017.

Internal Audit Approach

In undertaking our review for the year, we have again had regard to the materiality of transactions and their susceptibility to potential misrecording or misrepresentation in the year-end Statement of Accounts/Annual Return. Our programme of cover has again been designed to afford appropriate assurance that the Council's financial systems remain robust and operate in a manner to ensure effective probity of transactions and to afford a reasonable probability of identifying any material errors or possible abuse of the Council's own and the national statutory regulatory framework. The programme is also designed to facilitate our completion of the 'Internal Audit Report' in the Council's Annual Return, which requires independent assurance over a number of internal control objectives.

Overall Conclusion

We have concluded that, on the basis of the programme of work undertaken during our visits this year, the Council continues to maintain adequate and effective internal control arrangements. We are pleased to acknowledge the quality of records maintained by the Clerk and the Finance Officer and thank them once again for their assistance, which has ensured the smooth progress of our review process.

We have completed and signed the 'Annual Internal Audit Report' in the year's Annual Return, having concluded that, with one exception which relates to the provision of a risk assessment report for the year under review, the control objectives set out in that report were being achieved throughout the financial year to a standard adequate to meet the needs of the Council.

Detailed Report

Maintenance of Accounting Records & Bank Reconciliations

Our objective here is to ensure that the accounting records are being maintained accurately and currently and that no anomalous entries appear in cashbooks or financial ledgers. We note that Sage software continues to be in use with two operating bank accounts operated at NatWest supplemented by savings accounts with Santander and Shawbrook. We also note that there is a savings bond issued by the Saffron Waldon Building Society. We understand that these savings accounts were opened to ensure a certain spread of risk following the previous banking "crisis". We have:

- Ensured that an appropriate nominal coding structure remains in place;
- Verified the opening trial balance detail with the closing balances disclosed in the 2015-16 Statement of Accounts and Annual Return;
- Ensured that the financial ledger remains in balance at the present date;
- Checked and agreed a sample of three months' transactions in the Council's NatWest Current and Business Reserve Accounts for the months of May and August 2016 and for the month of March 2017 agreeing detail to the relevant bank statements, including all inter account transactions;
- Similarly, checked and agreed all transactions on the Santander account for the period to 31st October, 2016 and for the month of March 2017 to relevant bank statements or other relevant supporting documentation; and
- Reviewed the detail on bank reconciliations as at 31st May and 31st August, 2016 and as at 31st March 2017 on all accounts to ensure that no long-standing cheques or other anomalous reconciling entries are apparent.

Conclusions

We are pleased to report that there are no issues in this area of our review warranting formal comment or recommendation; we have verified the accurate disclosure of year-end balances in the Annual Return.

Review of Corporate Governance

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

- Completed our examination of minutes of the Full Council and its Standing Committees' meetings (with the exception of Planning) for the year to 31st March, 2017 to identify whether or not any issues exist that may have an adverse effect, through litigation or other causes, on the Council's future financial stability; and
- Previously noted that Financial Regulations have been reviewed and re-affirmed at the Annual Council meeting held on 18th May 2015.
- Noted that Standing Orders have been revised and re-adopted at the Council meeting held on 26th September 2016 and that these Standing Orders incorporate the requirements of the

revised EU Regulations in relation to contracting and tendering, specifically in the need to formally advertise any contractual work in excess of £25,000 in the Government "Contract Finder" website.

- Further noted that revised Financial Regulations were adopted by Council at their meeting on 24th April 2017 and that these Financial Regulations also incorporate the requirements of the revised EU Regulations in relation to contracting and tendering, specifically in the need to formally advertise any contractual work in excess of £25,000 in the Government "Contract Finder" website.

Conclusions

We are pleased to report that there are no issues in this area of our review warranting formal comment or recommendation.

Review of Expenditure

Our aim here is to ensure that: -

- Council resources are released in accordance with the Council's approved procedures and approved budgets;
- Payments are supported by appropriate documentation, either in the form of an original trade invoice or other appropriate form of document confirming the payment as due and/or an acknowledgement of receipt, where no other form of invoice is available;
- All payments are being reported to Council;
- VAT has been calculated correctly for periodic recovery;
- All discounts due on goods and services supplied are identified and appropriate action taken to secure the discount; and
- That all payments have been coded appropriately.

To confirm compliance with the above criteria, we have selected a sample of 34 payments processed during the year including all those individually in excess of £1,500, together with a more random selection of every 25th payment irrespective of value. Our test sample totals £76,038 in value and equates to 65% of all non-salary related payments in the year to date.

We note that, currently, Council receives a copy of details of all payments made in excess of £500 details of which, to comply with the requirements of the Local Government Transparency Code 2015, are published on the Town Council website. The Finance & Policy Committee receive a full list of payments at each meeting and this is also published on the Town Council website as an addendum to the publishing of the agendas for those meetings.

We further note that VAT Returns continue to be submitted electronically on a quarterly basis, the last return submitted being for the quarter to 30th September 2016. We noted at our previous visit that the Clerk had been investigating the situation regarding reclaiming VAT in respect of the Lagley Meadow Youth Centre and astro-turf area expenditure. In advance of my visit, she had received confirmation following completion of a partial exemption calculation that such VAT could be reclaimed.

Conclusions

We are pleased to report that there are no issues in this area of our review warranting formal comment or recommendation; we have verified the value of the VAT debtor disclosed in the Accounts and Annual Return for the year.

Assessment and Management of Risk

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

- We have noted that the Clerk has carried out a Dynamic Risk Assessment of a number of functions and has taken the appropriate action to mitigate risk in these areas. We regret to note however that, although the Clerk has spent a great deal of time preparing an exceptionally detailed risk assessment for approval by Council, this was not presented to and approved by Council in the year under review but on 22nd May 2017. We remind the Clerk and Members of the requirement that a full Financial & Health and Safety Risk Assessment be **approved** by Council in each financial year; and
- We further note that the Council's insurance cover has been provided by Ecclesiastical; we have examined the current year's policy schedule which is effective to 31st May 2017 and consider that appropriate cover is in place with Employer's and Public Liability both set at £10 million. We note that Fidelity Guarantee cover has been reduced to £350k which is an acceptable level at present. We consider all cover to be in line with our expectations.

Conclusions and recommendations

We draw the Clerk and members attention to the now mandatory requirement that financial and other risk assessments are subjected to at least annual review, update and formal re-adoption by the full Council and urge them to ensure that they comply in 2017-18. We shall continue to monitor progress in this respect at next year's review and report our conclusions accordingly.

- R1. *The Council should ensure that financial and other risk assessments are subjected to at least one annual review with the resultant output adopted formally by the full Council, as is now mandatorily required.*

Precept Determination and Budgetary Control

We aim in this area of our work to ensure that the Council has appropriate procedures in place to determine its future financial requirements leading to the adoption of an approved budget and formal determination of the amount to be precepted on the parent Council, that effective arrangements are in place to monitor budgetary performance throughout the financial year and that the Council has identified and retains appropriate reserve funds to meet future spending plans. To meet this objective, we have:

- Noted from our review of the minutes that members continue to be provided with regular management accounting information;
- Noted that a detailed budget exercise was undertaken and approved by Council at a meeting on 23rd January 2017;

- Further noted that the precept has been agreed at £186,225;
- Considered the appropriateness of the level of general reserves to meet the Council's ongoing revenue spending requirements noting that the year-end reserves balance of £277,714 incorporate earmarked reserves of £127,966 the balance of general reserves equating to just over seven months' revenue expenditure, which is over the CIPFA guideline of between three and six months' expenditure; and
- Reviewed the year-end budget outturn for any significant unexplained variances with none in evidence.

Conclusions

We are pleased to report that no issues have been identified in this area of our review warranting formal comment or recommendation.

Review of Income

In considering the Council's income streams, we aim to ensure that robust systems are in place to ensure the identification of all income due to the Council from its various sources, to ensure that income is invoiced in a timely manner and that effective procedures are in place to pursue recovery of any outstanding monies due to the Council.

We note that, in addition to the precept and concurrent service payments from Dacorum Borough Council, the Council receives income from their allotments, hiring out Car Park spaces and rental income in respect of Happy Days Pre-School, based at Lagley Meadow Youth Centre.

We understand that the record of allotment holders is kept on a bespoke software system and we have tested a random sample of thirty-three tenants from the issue of the rental invoices to the receipt and banking of their rents with no issues arising.

We have also reviewed the income from the Happy Days Pre-School noting that an invoice for the full year's rental is issued at the beginning of the financial year with payment being made by twelve monthly instalments.

Conclusions

We are pleased to report that no issues have been identified in this area of our review warranting formal comment or recommendation.

Petty Cash Account

A limited petty cash account is in operation at the Council's office and at the Youth Centre; the office holds a main petty cash float and also has a supplementary petty cash float both of which are operated on a "topped up as and when" basis with independent control and approval by the Clerk, subsequent to the Finance Officer's transaction processing and cash counting, on a monthly basis.

We have verified all transactions on both office petty cash accounts for the period to 30th September 2016 with no issues arising.

We have also verified the balance of cash as at 30th November 2016.

Finally, we are pleased to note that the Clerk verified the balance of cash as at 31st March 2017.

Conclusions

We are pleased to report that no issues have been identified in this area of our review warranting formal comment or recommendation; we do suggest that it might be appropriate to close the supplementary office petty cash account.

Salaries and Wages

We note that the Council outsources production of its monthly payroll for all its employees to Messrs David Lindon & Co. In examining the Council's payroll function, we aim to confirm that extant legislation is being appropriately observed as regards adherence to the requirements of HM Revenue and Customs (HMRC) legislation and the deduction and payment over of income tax and NI contributions, together with meeting the requirements of the local government pension scheme, as most recently further amended with effect from 1st April 2015, as regards employee contribution bandings. To meet this objective, we have examined the September 2016 salary documentation provided as below:

- Checking that staff gross pay is calculated accordingly by reference to the approved pay scales;
- Checking to ensure that the correct Income Tax codes and National Insurance Tables are being applied correctly, the latter dependent on whether or not the employee is contributing to the LGPS;
- Checking to ensure that the appropriate percentage superannuation deductions have been applied in accord with the updated salary bandings where applicable; and
- Reconciling the net pay and employer's "on costs" to that recharged by the bureau provider.

We note that the Clerk is not in receipt of the London weighting and suggest it might be appropriate for Members to review this.

We are pleased to note that, following our previous suggestion, all items constituting salaries are now itemised on the payslips.

Conclusions

We are pleased to note that there are no matters in this area of our review warranting formal comment or recommendation.

Asset Register

The Governance and Accountability Manual requires all councils to maintain a record of all assets owned. We note that a detailed Asset Register is maintained by the Council with a minimum limit of £100 being the value at which items are added to this register. We understand the Clerk will recommend to Council that this limit be increased to a "guidance" figure of £250.

Conclusions

We are pleased to note that there are no matters in this area of our review warranting formal comment or recommendation; we have ensured that, in accord with the previously revised Practitioners' guidance in this area, the overall value disclosed in the Annual Return is correctly stated, based on original purchase (or appropriate proxy) cost.

Investments and Loans

Our objectives here are to ensure that the Council is investing "surplus funds", be they held temporarily or on a longer term basis, in appropriate banking and investment institutions, that an appropriate investment policy is in place, that the Council is obtaining the best rate of return on any such investments made, that interest earned is brought to account correctly and appropriately in the accounting records and that any loan repayments due to or payable by the Council are transacted in accordance with the relevant loan agreements.

We have previously noted that the Council has invested the balances of its "surplus" funds in varying banking institutions; we further note that the one year tracker bond held with the Saffron Waldon Building Society matured in February 2017 and has been reinvested with them maturing on 10th February 2018.

The Council currently has no loans outstanding either from or with third parties.

Conclusions

We are pleased to report that there are no issues arising in this area of our work warranting formal comment or recommendation.

Statement of Account and Annual Return

The 1996 Accounts and Audit Regulations required all Councils to prepare annually a detailed Statement of Accounts, together with supporting statements identifying other aspects of the Council's financial affairs.

We have reviewed the Statement of Accounts and Annual Return detail prepared by DCK Beavers, as generated from the accounting software with no obvious errors or anomalies in the detailed content.

Conclusions

No issues have been identified in relation to the verification of detail in the Statement of Accounts and Annual Return this year.

On the basis of our detailed work during the course of the year on the Council's systems of financial control and content of the detailed Statement of Accounts and that summarised detail set out in the Annual Return, we have signed off the Internal Audit Report of the Return assigning positive assurances, with one exception as detailed previously in this report, in each relevant area.

Rec. No.	Recommendation	Response
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Assessment and Management of Risk

R1 The Council should ensure that financial and other risk assessments are subjected to at least one annual review with the resultant output adopted formally by the full Council, as is now mandatorily required

Section 1 – Annual governance statement 2016/17

We acknowledge as the members of:

Enter name of
smaller authority here:

BERKHAMSTED 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	has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.
		NA	

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

[Signature box]

and recorded as minute reference:

[Signature box]

Signed by Chair at meeting where approval is given:

[Signature box]

Clerk:

[Signature box]

*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.

Section 2 – Accounting statements 2016/17 for

Enter name of smaller authority here:

BERKHAMSTED TOWN COUNCIL

	Year ending		Notes and guidance				
	31 March 2016 £	31 March 2017 £					
1. Balances brought forward	280,497	254,612	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	156,375	177,355	Total amount of precept (or for IDBs, rates and levies) received or receivable in the year. Exclude any grants received.				
3. (+) Total other receipts	56,207	61,178	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	(91,725)	(103,923)	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	-	-	Total expenditure or payments of capital and interest made during the year on the smaller authority's borrowings (if any).				
6. (-) All other payments	(146,742)	(103,378)	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	254,612	285,844	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	266,158	293,899	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	178,602	180,195	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	-	-	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:

Date

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

and recorded as minute reference:

Signed by Chair at meeting where approval is given:

Annual internal audit report 2016/17 to

Enter name of smaller authority here:

BERKHAMSTED 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.		✓	See IA Report
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.			✓

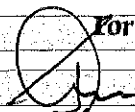
For any other risk areas identified by this smaller authority adequate controls existed (list any other risk areas below or on separate sheets if needed)

JP Watson

Name of person who carried out the internal audit

For Auditing Solutions Ltd

Signature of person who carried out the internal audit



Date

01/06/2017

*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).

Berkhamsted Town Council
Annual Return 2016/17
Explanation of variances +/- 10%
and greater than £100.

Attachment for Appendix 4 Q1

Nominal Code	Description	Difference actual and %	Explanation
0100	Precept	£20,979.38 13.42%	In 2015/16 the precept for Band D properties remained at £19.18, the eighth successive year without an increase. The Council increased its precept in 2016/17 to £21.42 for a Band D property.
7000	Office salary costs	£13,341.13 13.3%	In late May 2015 the Town Clerk left and his replacement subsequently left in November 2015. The current Town Clerk was not appointed until 1 April 2016. During 2016/17 the Town Council had no staff vacancies.
	Total other payments	-£43,364 -29.55%	See various items contributing to this reduction set out below.
7642	Highways Projects	-£14,285	£10,000 contribution to upgrade of Grand Union tow path paid to the Canal and River Trust 2015/16. £4,495 resurfacing costs at Broadwater 2015/16. Only £250 spent 2016/17.
7690	PCSO Funding	-£14,250	£14,250 PCSO funding ceased 31 March 2016.
7779	Election costs	-£11,695	2015 was ordinary election year for the Town Council so an additional £11,695 spent in 2015/16. £6981.95 spent in 2016/17.
	Total	The above items account for £40,230 of the variance.	The remaining difference, £3,134 or 2.13% is accounted for by various differences between other nominal codes within the category "other payments".

**Berkhamsted Town Council
Annual Return 2016/17
Reconciliation between
Boxes 7 & 8**

Attachment for Appendix 4 Q3

Description	2015 -16 £	2016 -17 £
Box 7	254,612	285,844
Plus: Creditors	15,220	12,800
Less: Debtors	(3,674)	(4,745)
Box 8	266,158	293,899

Berkhamsted Town Council

Unaudited Financial Statements

For the year ended 31 March 2017

Berkhamsted Town Council

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31 March 2017

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Berkhamsted Town Council

Council Information

31 March 2017

(Information current at 26th June 2017)

Town Mayor

Cllr Mrs C. Green

Councillors

Cllr S. Beardshaw (Deputy Town Mayor)

Cllr A. Armytage

Cllr S. Bateman

Cllr D. Collins

Cllr E. Collins

Cllr G. Corry

Cllr F. Earl

Cllr J. Jones

Cllr P. Matthews

Cllr B. Newton

Cllr I. Reay

Cllr T. Ritchie

Cllr G. Stevens

Cllr G. Yearwood

Town Clerk

Mrs J. E. Mason MA (Hons) CFCIPD CiLCA

Auditors

BDO Stoy Hayward LLP

Arcadia House

Maritime Walk

Ocean Village

Southampton

SO14 3TL

Internal Auditors

Auditing Solutions Limited

Clackerbrook Farm

46 The Common

Bromham

Chippenham

Wiltshire

SN15 2JJ

Berkhamsted Town Council
Statement of Accounting Policies
31 March 2017

Auditors

The name and address of the External Auditors is provided for information only.

These Statements are not subject to audit and the External Auditors have no responsibility for them.

Accounting Convention

The accounts have been prepared in accordance with the Accounting Guidance Notes for Local Councils (the Guide) issued by The Chartered Institute of Public Finance and Accountancy (CIPFA) as applicable to a medium sized council.

These accounts have been prepared having regard to the fundamental accounting concepts of: Going Concern, Prudence, Accruals, Relevance, Consistency, Reliability, Comparability, Understandability and Materiality.

The accounts have been prepared under the historical cost convention.

Fixed Assets

All expenditure on the acquisition, creation or enhancement of fixed assets is reported in the notes to the accounts, provided that the fixed asset yields benefits to the authority and the services it provides for a period of more than one year. Fixed assets are valued on the basis recommended by CIPFA. The year end values are stated on the following basis:

land, operational properties and other operational assets are reported in notes to the accounts at historical cost

previous years are at then current insurance values (previously required).

Revenue Grants

Revenue grants are credited to income when conditions attached thereto have been fulfilled and/or equivalent expenditure has been incurred. Grants received in respect of which the conditions have not been fulfilled, or expenditure incurred, are carried forward as deferred revenue grants.

Investments

Investments are included in the balance sheet at historic cost and realised gains or losses are taken into the income and expenditure account as realised.

Debtors and Creditors

The council reviews the level of its commercial debtors on a regular basis and provisions are made, as required, where the likelihood of amounts proving ultimately collectable is in doubt.

Value Added Tax

Income and Expenditure excludes any amounts related to VAT, as all VAT suffered/collected is recoverable from or payable to HM Revenue and Customs. Any amounts not so recoverable are treated as a separate expense.

External Loan Repayments

The council has no long term borrowing. Consequently, there were no external loan repayments made in the year.

Berkhamsted Town Council
Statement of Accounting Policies
31 March 2017

Leases

The council has no commitments under finance leases. Rentals payable under operating leases are charged to revenue on an accruals basis.

Reserves

The council maintains certain reserves to meet general and specific future expenditure. The purpose of the council's reserves is explained in note 9.

Interest Income

All interest receipts are credited initially to general funds.

Pensions

The pension costs that are charged against precept in the council's accounts, in respect of its employees, are equal to the contributions paid to the funded pension scheme for those employees.

These contributions are determined by the fund's actuary on a triennial basis and are set to meet 100% of the liabilities of the pension fund, in accordance with relevant government regulations.

The next actuarial valuation is due at 31st March 2019 and any change in contribution rates as a result of that valuation will take effect from 1st April 2020.

Berkhamsted Town Council
Income and Expenditure Account
31 March 2017

	Notes	2017 £	2016 £
INCOME			
Precept on Principal Authority		177,355	156,375
Council Tax Benefit Support Grant		3,493	4,315
Interest and Investment Income	1	2,890	3,399
Allotments		8,929	9,746
Parish Paths Grant		300	1,000
Youth Centre & Car Park		12,503	13,383
Establishment/General Administration		70	-
Town Warden		15,098	14,949
Christmas Festival of Lights		6,630	6,280
CIL Income from DBC		8,130	-
DBC Delegated Functions		3,135	3,135
		238,533	212,582
EXPENDITURE			
Establishment/General Administration		124,515	118,268
Election Expenses		-	18,677
S137 Expenditure		4,580	1,600
Capital Expenditure	6	3,497	702
Operational Expenditure:			
Allotments		6,988	6,799
Youth Projects		12,500	12,500
Highways - Footpaths and Lighting		441	15,115
Youth Centre & Car Park		11,791	13,061
Civic & Democratic		3,334	3,629
Town Warden		21,586	20,142
Christmas Festival of Lights		12,922	8,403
PCSO Contribution		-	14,250
Environmental Projects		2,462	2,591
DBC Delegated Functions		2,685	2,730
		207,301	238,467
General Fund			
Balance at 01 April 2016		126,583	144,560
Add: Total Income		238,533	212,582
		365,116	357,142
Deduct: Total Expenditure		207,301	238,467
		157,815	118,675
Transfer (to)/from Earmarked Reserves	9	(8,067)	7,908
General Reserve Balance at 31 March 2017		149,748	126,583

The notes on pages 8 to 11 form part of these unaudited statements.

Berkhamsted Town Council

Balance Sheet

31 March 2017

	Notes	2017 £	2017 £	2016 £
Current Assets				
Debtors and prepayments	7	4,745		3,663
Investments		83,152		82,419
Cash at bank and in hand		<u>210,747</u>		<u>183,739</u>
		298,644		269,821
Current Liabilities				
Creditors and income in advance	8	<u>(12,800)</u>		<u>(15,209)</u>
Net Current Assets			285,844	254,612
Total Assets Less Current Liabilities			285,844	254,612
Total Assets Less Liabilities			<u>285,844</u>	<u>254,612</u>
 Capital and Reserves				
Earmarked Reserves	9		136,096	128,029
General Reserve			<u>149,748</u>	<u>126,583</u>
			<u>285,844</u>	<u>254,612</u>

Signed:

Cllr Mrs C. Green
Town Mayor

.....
Mrs J. E. Mason MA (Hons) CFCIPD CILCA
Responsible Financial Officer

Date:

.....

The notes on pages 8 to 11 form part of these unaudited statements.

Berkhamsted Town Council

Notes to the Accounts

31 March 2017

1 Interest and Investment Income

	2017	2016
	£	£
Interest Income - General Funds	2,890	3,399
	<u>2,890</u>	<u>3,399</u>

2 Agency Work

During the year the Council undertook no agency work on behalf of other authorities.

During the year the Council commissioned no agency work to be performed by other authorities.

3 Tenancies

During the year the following tenancies were held:

Council as landlord

Tenant	Property	Rent p.a. £	Repairing / Non-Repairing
Happy Days	Lagley Youth Centre	£12,000	Non-Repairing
Sunnyside Rural Trust	(Part) Sunneyside Old & New Allotments and Training Centre	£1,381	Repairing

Council as tenant

Landlord	Property	Rent p.a. £	Repairing / Non-Repairing
Dacorum Borough Council	Council Offices in Berkhamsted Civic Centre	£8,500	Repairing
Dacorum Borough Council	Lagley Meadow Youth & Community Centre	£250	Repairing

4 Pensions

For the year of account the council's contributions equal 24.80% of employees' pensionable pay.

These contributions will reduce to 23.80% in future years, which will provide adequately for future liabilities.

Berkhamsted Town Council

Notes to the Accounts

31 March 2017

5 Fixed Assets

	2017	2016
	£	£
	Value	Value
At 31 March the following assets were held:		
<u>Freehold Land and Buildings</u>	-	-
<u>Vehicles and Equipment</u>		
Christmas Lights	26,578	26,578
Office Electrical Equipment	15,534	15,882
Office Furnishings	3,720	3,276
Outdoor Equipment	9,131	9,131
Town Warden Equipment	9,590	9,590
Lagley Centre Equipment	24,165	24,165
	<u>88,718</u>	<u>88,622</u>
<u>Infrastructure Assets</u>		
Allotment Fences Water Pipes etc	26,227	26,227
Hard Standing	17,787	17,787
Information Point Installation	2,847	2,847
Street Furniture	27,140	27,140
Notice Boards	4,884	4,884
Play Area Security Fence	1,492	-
	<u>80,377</u>	<u>78,885</u>
<u>Community Assets</u>		
DF Allotment Land	1	1
SSO Allotment Land	1	1
SSN Allotment Land	1	1
BM Allotment Land	1	1
Lombardy Drive Open Space	1	-
Civic Regalia	11,095	11,095
	<u>11,100</u>	<u>11,099</u>
	<u>180,195</u>	<u>178,606</u>

The basis of valuation of the above assets is set out in the Statement of Accounting Policies.

Berkhamsted Town Council

Notes to the Accounts

31 March 2017

6 Fixed Assets - Additions and Disposals

	2017	2016
	£	£
	Cost	Cost
During the year the following assets were purchased:		
Operational Land and Buildings	-	-
Vehicles and Equipment	2,004	702
Infrastructure Assets	1,492	-
Community Assets	1	-
Other Assets	-	-
	<u>3,497</u>	<u>702</u>

Certain assets were disposed of during the year, but for no value.

7 Debtors

	2017	2016
	£	£
Trade Debtors	15	(11)
VAT Recoverable	2,339	2,320
Revenue Grant Debtors	300	-
Prepayments	1,715	1,354
Accrued Interest Income	376	-
	<u>4,745</u>	<u>3,663</u>

8 Creditors and Accrued Expenses

	2017	2016
	£	£
Trade Creditors	469	5,305
Accruals	10,272	9,904
Income in Advance	2,059	-
	<u>12,800</u>	<u>15,209</u>

9 Earmarked Reserves

	Balance at 01/04/2016	Contribution to reserve	Contribution from reserve	Balance at 31/03/2017
	£	£	£	£
Capital Projects Reserves	-	-	-	-
Asset Renewal Reserves	105,895	-	(2,003)	103,892
Other Earmarked Reserves	22,134	10,070	-	32,204
Total Earmarked Reserves	<u>128,029</u>	<u>10,070</u>	<u>(2,003)</u>	<u>136,096</u>

The Other Earmarked Reserves are credited with amounts set aside from revenue to fund specific known commitments of the council.

The Other Earmarked Reserves at 31 March 2017 are set out in detail at Appendix A.

Berkhamsted Town Council

Appendices

31 March 2017

Appendix A

Schedule of F earmarked Reserves

	<u>Balance at</u> <u>01/04/2016</u>	<u>Contribution</u> <u>to reserve</u>	<u>Contribution</u> <u>from reserve</u>	<u>Balance at</u> <u>31/03/2017</u>
	£	£	£	£
<u>Capital Projects Reserves</u>				
NONE				0
	0	0	0	0
<u>Asset Replacement Reserves</u>				
Fixed Asset Renewals Fund	105,895		(2,003)	103,892
	105,895	0	-2,003	103,892
<u>Other F earmarked Reserves</u>				
Election Costs	0			0
Alan Dickman Bequest	10,000			10,000
Allotment Reserves Fund	12,134	1940		14,074
CIL 2016-17		8130		8,130
	22,134	10,070	0	32,204
TOTAL EARMARKED RESERVES	128,029	10,070	(2,003)	136,096

Berkhamsted Town Council

Notes to the Accounts

31 March 2017

10 Capital Commitments

The council had no other capital commitments at 31 March 2017 not otherwise provided for in these accounts.

11 Contingent Liabilities

The council is not aware of any other contingent liabilities at the date of these accounts.

12 Post Balance Sheet Events

There are no significant Post Balance Sheet events since the preparation of these accounts, up to the date of their final adoption (on 26th June 2017), which would have a material impact on the amounts and results reported herein.