

BRAUNSTONE TOWN COUNCIL

27th JUNE 2019

Item 6 – Annual Governance Statement 2018/2019

Purpose

To ensure sound systems of internal control, including the management of risk and the preparation of accounting statements during the financial year ended 31st March 2019 and to authorise the completion and submission of the Annual Governance Statement 2018/2019 accordingly.

Background

Under the Regulations it is the Council as a whole that is responsible in law for ensuring that financial management is adequate and effective and that the Council has a sound system of internal control which facilitates the effective exercise of functions and which includes arrangements for the management of risk. Under the regulations, all local councils are required to conduct a review at least once a year of the effectiveness of their system of internal control, in accordance with proper practices.

Annual Governance Statement

As part of the Annual Governance and Accountability Return, the Council has to demonstrate that it is compliant with the statements set out in Section 1, Annual Governance Statement:

1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.

Prepared accounting statements in accordance with the Accounts and Audit Regulations.

- a) *Budgeting:* Following the decision of Blaby District Council to no longer pass on the share of Council Tax Support Grant and New Homes Bonus, the Council reviewed its Medium Term Priorities and Financial Planning arrangements at Policy & Resources Committee and Council in November 2018 ahead of each Standing Committee reviewing its priorities and objectives alongside its budget and capital plan requirements for 2019/2020 in December 2018 and January 2019. The Council approved the Business Plan, Capital Plan and budget when setting the precept for 2019/2020 on 31st January 2019.

Each Standing Committee receives a report setting out income and expenditure to date against the budget once each cycle.

- b) *Accounting Records and Supporting Documents:* Operational expenditure transactions are authorised by two account signatories and each Standing Committee receives a list of all expenditure transactions since the previous report.

The Council uses Finance and Facilities Management Software packages provided by Edge IT, which record all transactions and provide tracking and reporting of overdue invoices/receipts and orders/payments.

- c) *Bank Reconciliation:* for the General Operating Account and Payroll Account is undertaken monthly and for the investment account is undertaken quarterly. The Finance System lists transactions to be reconciled and both the reconciliation report and bank statement are signed by the officer reconciling the account and counter signed by the Responsible Financial Officer/Deputy Responsible Financial Officer.

Following the recommendations of the Internal Audit in May 2018, Policy & Resources Committee receive a summary of the Council's Cash and Reserves following the end of each quarter.

- d) *Investments:* The Council maintains a high interest, 90 day notice account, which contains reserves and surplus' monies.
- e) *Statement of Accounts:* the accounting statements have been submitted:
- Corporate Governance Sub-Committee, 13th June 2019 (item 8);
 - Policy & Resources Committee, 13th June 2019 (item 8); and
 - will be submitted to Full Council on 27th June 2019 (the deadline date for determining the Accounting Statements is 30th June).

For the purpose of the Regulations, Braunstone Town Council is currently classed as a smaller authority (as defined by the Accounts and Audit Regulations 2011) whose gross annual income or expenditure is less than £6.5 million. Accordingly it is audited under the intermediate level review.

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 public money and resources.

- a) *Standing Orders and Financial Regulations:* The Council's systems of internal controls are set out in the Standing Orders and Financial Regulations, which were thoroughly reviewed in May and June 2016, taking into account the Public Contracts Regulations 2015 and other legislative changes and guidance and advice on good practice.

The Council reviews its Standing Orders and Financial Regulations on an annual basis and modifications were approved at Annual Council to the Standing Orders on 10th May 2018 and to the Financial Regulations on 11th May 2017.

In addition we have adopted the 'Braunstone Area Office – Operational Instructions and Procedures' for Customer Service Shop transactions.

- b) *Safe and Efficient Arrangements to Safeguard Public Money:* An official order is issued for all work, goods and services except where there is a formal contract. Orders are issued following receipt of a signed requisition request, which must be counter signed by a Manager. Upon

receipt of an invoice, payment is authorised by two members of the council or one member of the council and the Executive Officer & Town Clerk (where he did not issue the order).

All monies received are paid into the bank, usually weekly; the origin of each receipt is entered on the paying-in slip.

The Financial Regulations provide for Policy & Resources Committee to approve banking arrangements, including account signatories, and arrangements for the use of corporate credit cards.

The Responsible Financial Officer and Deputy Responsible Financial Officer have undertaken Finance training provided through the National Association of Local Councils. The Responsible Financial Officer provides financial responsibilities training for all Councillors. New Councillors have also received financial responsibilities training through the National Association of Local Councils.

An assessment of financial risks is attached at Appendix 1.

- c) *Employment:* Employment Contracts, establishment posts and pay scales are approved by the Policy & Resources Committee. Transfer of monies into the payroll account is authorised by two members of the Council. Payment of salaries and expenses are authorised by the Responsible Financial Officer. The Council is a member of the Local Government Pension Scheme and fully complies with the requirements to auto-enrol employees into the pensions scheme.
- d) *VAT:* The Financial Management System records VAT payed and received and produces reports for the Responsible Financial Officer who is responsible for submitting an accurate and timely VAT Return. All VAT Returns were submitted on time. The Responsible Financial Officer and Deputy Responsible Financial Officer have undertaken VAT Training provided through the National Association of Local Councils.
- e) *Fixed Assets and Equipment:* are regularly inspected in accordance with the regulations and the inspection regime set out in the Health & Safety Policy and associated Risk Assessments.

During the year, the Council renewed its CCTV systems at its Centres and approved its extension to parks (Policy & Resources Committee, 14th June 2018, minute 17). The old CCTV cameras were disposed of as part of the installation contract.

- f) *Loans and Long Term Liabilities:* The Council anticipated borrowing during the year for the Shakespeare Park Improvement Project; however, slippage in the project timescales meant there was no new borrowing during the 2018/19 financial year.

The Council continued to repay capital and interest on existing Public Works Loan Board loans, for which provision is made in the annual budget and, in accordance with the loan repayment requirements.

- g) *Review of Effectiveness:* an Internal Audit was undertaken by a competent and independent person in May 2019, which will be considered by the Council's Corporate Governance Sub-Committee as part of its wider annual review of effectiveness in order to report to Policy & Resources Committee and Council on compliance with the provisions set out in the Annual Governance Statement.

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 the Council to conduct its business or manage its finances.

Only done what we have the legal power to do and have complied with proper practices in doing so.

- a) *Acting within its powers:* the relevant legal powers for all the Council's activities are listed in the annual Budget and Precept and future estimates report and appendices considered by Policy & Resources Committee in January each year and subsequently approved by Full Council.
- b) *General Power of Competence:* Braunstone Town Council determined on 10th September 2015, that it meet the eligibility criteria in paragraph 2 of the schedule to The Parish Councils (General Power of Competence) (Prescribed Conditions) Order 2012. SI 2012 No. 965 and was an eligible local council for the purpose of completing any activity undertaken in exercise of the General Power of Competence. Where the General Power of Competence is to be used, the details are set out in the report of the Executive Officer & Town Clerk to Committee / Council as appropriate.

There were no cases where the power was used during the 2018/2019 financial year.

- c) *Regulations and Proper Practices:* The Executive Officer & Town Clerk reports to Committee when regulations require a change to policy, duties and responsibilities, service structure, or requires resources. The Town Council is a member of the Leicestershire & Rutland Association of Local Councils/National Association of Local Councils and has direct access to legal advice. In addition, the Town Council sources its Employment Advice and Support from Personnel Advice & Solutions Ltd and subscribes to services and advice from the Local Government Association. The Executive Officer & Town Clerk is a member of the Society of Local Council Clerks who also provide support and advice.

Annual reviews are undertaken of the Standing Orders and Financial Regulations to ensure compliance. Council policies are reviewed at least every 3 years or as a result of legislative changes.

An annual audit and detailed review of proper practices is undertaken by the Corporate Governance Sub-Committee in June, who directly report to Policy & Resources Committee and full Council.

- d) *Actions during the year:* the Executive Officer & Town Clerk as the principle legal advisor, attends all decision making Committees and Full Council; where decisions are required a report/supporting material is

issued in advance with the agenda and recommendations included. All decisions (including those taken under delegated authority) are recorded.

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.

- a) *Exercise of public rights:* for the Year Ending 31st March 2018, in accordance with the Accounts & Audit Regulations 2015, the Council published and made available the unaudited accounting records from 2nd July until 10th August 2018, for electors to inspect.
- b) *External Auditor's Review:* The External Audit was completed on 3rd October 2018. Nevertheless, a notice was published to electors on 1st October 2018, in accordance Accounts and Audit Regulations 2015 (SI 2015/234), giving notice of the incomplete external audit and the right of electors to inspect the Annual Return. Following consideration by Policy & Resources Committee on 1st November 2018 of the conclusion of the external audit, a notice was published on 2nd November 2018 under the Accounts and Audit Regulations 2015 (SI 2015/234) of the conclusion of the audit and the right of electors to inspect the Annual Return and review the findings of the external audit.

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

Considered and documented financial and other risks and have dealt with them properly.

- a) *Identifying and assessing risks:* The Council identifies, assesses and records risks that could have financial and reputational consequences. The corporate risks are attached at Appendix 1.

During 2017/2018, both the Business Continuity Plan and Health & Safety Policy were reviewed and were the subject of consultation with Councillors, staff, partners and professional advisors. Both revised and updated policies were formally adopted on 30th April 2018. Fire Risk Assessments as required by Regulatory Reform (Fire Safety) Order 2005 were completed on 25th April 2016 by Vital, which also included a General Risk Assessment. As a result of these, a Fire Risk Assessment checklist is completed every three months and the daily checklists were updated.

Following an assessment of the following:

- Safety check of Fire Doors
 - Water testing for Legionnaires disease
 - Asbestos survey
 - Safety checks and locations of smoke detectors
- procedures and safety check processes were updated.

The Health & Safety Consultative Group carried out a review of risk assessments as follows:

- (a) *Cash Handling & Transport* and *Icy Surfaces* were updated;
- (b) *Asbestos* was reviewed and considered fit for purpose;
- (c) *Litter Picking (Franklin Park Working Group)* was deleted, since the working group has disbanded and therefore the risk assessment was no longer applicable; and
- (d) a new risk assessment, *Shared Spaces at Thorpe Astley Community Centre*, was agreed between relevant parties and adopted following the opening of the General Practice Branch Surgery at the Centre given a Pre-school also operates at the Community Centre.

The risk assessment review programme ensures that all risk assessments are reviewed at least every 3 years and following an incident or the issuing of new guidance are revisited.

Following the review and adoption of a new Health & Safety Policy, the Health & Safety Consultative Group adopted a revised process for Display Screen Equipment Assessments.

Banking – Compensation Scheme – with effect from 31st December 2010 the Government Scheme offers full compensation up to £85,000 per saver or authorised institution.

- b) *Addressing risks:* A review was undertaken of the Council's Insurance Policy and Assets Register in October when the Policy was due for renewal. As part of the renewal of insurance in 2016, the Council's buildings (Braunstone Civic Centre, Thorpe Astley Community Centre and Mossdale Pavilion and workshop) were revalued to ensure that the insurance value was sufficient for rebuild. The new Shakespeare Park Pavilion will be valued once building work has completed. The revised valuations have been included in the insurance policy and have been included under the "Insurance Value" column of the Fixed Assets List, which forms part of the Accounting Statements.

During May 2018 ROSPA undertook the annual inspections of all Braunstone Town Council play areas including play areas, Multi Sports areas, teenage areas and the skate park area. The written reports were received on 4th May 2018 for each play area inspected. The inspections included reports on fencing, litter bins, safety surfaces and play equipment with priorities for work marked low, medium or high.

No high priority items were noted for any of the Town Council's play areas. A number of medium priority areas were highlighted in the reports with the majority of these items marked as a low risk factor and consisted of minor shrinkage at the edges of wet pour safety surfaces. The minor works to the safety surfaces were undertaken during the annual winter works programme.

Five items had been highlighted with medium Risk Levels but with a Risk score of 10 and above:

- 1) Decay to post of parallel bars on Holmfield Park;
- 2) Sharp point on fence at Franklin Park;
- 3) Decay to wooden posts on swing on Mossdale Meadows;

- 4) Repair to MUGA fence at Lakin Drive; and
 - 5) Replacement chain link on Swing on Lakin Drive;
- these were reported to Policy & Resources Committee on 14th June 2018 (minute 9) and were completed with immediate effect.

A list of the Town Council's fixed assets were revised and updated during 2018/2019 following the installation of new CCTV equipment. The Insurance Policy was updated to include new items purchased and remove those disposed of.

On 14th June 2018, Policy & Resources Committee reviewed the Council's systems of internal control, including the management of risk, in order to determine whether there were sound systems of internal control and management of risk.

Queries were raised about the Town Council's Public Liability Insurance Cover, which is up to £5m in any one claim. The Committee were concerned that it might not adequately cover the levels of risk in the context of the services provided by the Council.

Therefore, to ensure that the level of public liability cover adequately reflected the levels of risk in the context of the services the Council provided, Policy & Resources Committee agreed "that the required level of public liability insurance cover be reviewed ahead of the annual renewal date for the Council's corporate insurance policy" (minute 7, resolution and reason 1).

The review ascertained that the discount rate that insurers can apply when settling liability claims that have resulted in serious/life changing injuries has recently been reduced and the Council's insurance broker advised that this was already having an impact on the level at which settlements were being agreed. In light of this advice and following the feedback from Parish Clerks contacted and a detailed discussion by the Council's Officer Management Team, £5m for Public and Products Liability cover was considered to be too low, particularly where responsibility includes events, public realm and play equipment. Therefore, on 1st November 2018, Policy & Resources Committee agreed "that the Council obtain Public and Products Liability Insurance cover for 2018/2019 at £10 million" (minute 44).

The Town Council's insurance policy covers the following risks:-

Public Liability	up to £10m any one claim	
Employers Liability	up to £10m any one claim	
Money	£10,000 cash in transit, £10,000 in safe	
Fidelity Guarantee	£287,054.00	
Wage roll	£456,565.00	
Business Interruption Gross Rentals (Including Thorpe Astley Community Centre)		£161,627.00
Braunstone Civic Centre (Maximum Indemnity Period:- 12 months)		£51,000.00
Official Indemnity, Libel and Slander		£456.565.00

The Town Council had no insurance claims during the year.

In November 2018, the Town Council's Insurers settled a personal injury case of 5th July 2017, under our Employer's Liability Insurance. The details of this insurance claim and the actions being taken were reported to the Policy & Resources Committee on 24th August and 26th October 2017.

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 the Council.

a) *Internal Audit:* an Internal Audit was undertaken John Marshall, through the Leicestershire & Rutland Association of Local Councils' Internal Audit Services on 22nd May 2019, which will be considered by the Council's Corporate Governance Sub-Committee as part of its wider annual review of effectiveness in order to report to Policy & Resources Committee and Council on compliance with the provisions set out in the Annual Governance Statement.

b) *Provision of Information:* Internal Audit had access to all the end of year financial reports and associated records and the Council's policies, strategies, agendas and minutes. The Responsible Financial Officer and Deputy Responsible Financial Officer were available to assist the Internal Auditor in his work.

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

Responded to matters brought to our attention by internal and external audit.

The overall opinion of the Internal Audit in 2017/2018 was that systems are operating efficiently and effectively. The Internal Audit report and recommendations for improvement were be considered by the Council's Management Team, Corporate Governance Sub-Committee and Policy & Resources Committee. A copy of the report, action plan and action taken is attached at Appendix 2.

The external audit was concluded on 3rd October 2018, which stated:

"The AGAR was not accurately completed before submission for review. Please ensure that amendments are corrected in the prior year comparatives when completing next year's AGAR:

- *The figures in Section 2, Box 3 are incorrect for 2016/17 and 2017/18. The figures should read £241,036 and £267,613 respectively".*

On 1st November, Policy & Resources Committee received a report concerning the outcome of the external audit and considered the Council's response. The Committee resolved:

1. *that the reports of the external auditor, PKF Littlejohn LLP (Appendix 1 and 2), be received and noted and published alongside the Responsible Financial Officer's explanation and clarification (Appendix 3) of the variance in the submitted figures between 2016/17 and 2017/18 in box 3 of section 2 of the Annual Governance and Accountability Return (Appendix 4); and*
2. *that based on the external auditor's final report recommendations, the revised outturn figures, as detailed in the table under the section "Annual Governance and Accountability Return" in the report, be used as the 2017/2018 (prior year comparatives) when submitting the Annual Governance and Accountability Return for the year ending on 31st March 2019.*

The reasons for the Committee's decision were:

1. *to ensure that there is transparency between the outturn figures approved by the Council, Internal Auditor and External Auditor in 2016/17 and approved by the Council and Internal Auditor in 2017/18, including the variance information provided to the External Auditor for review, noting that the accounts were prepared on an income and expenditure basis; and*
2. *to ensure that the Annual Governance and Accountability Return for 2018/19 would be in compliance with the outcome of the audit process for 2017/18, while noting that the balance at the start of 2016/2017 and at the end of 2017/2018 would not be affected by the changes required by the External Auditor.*

- 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 the Council and, where appropriate have included them in the accounting statements.**

Disclosed everything the Council should have about its business activity during the year including events taking place after the year-end if relevant.

Council considered medium term priorities and financial planning on 22nd November 2018. This document forms the framework for assessing the Council's priorities and future financial risks when developing its budget estimates for 2019/2020.

The Council's Medium Term Priorities and Financial Planning strategy assessed the impact of the following Financial Pressures for the period until 2023/2024, based on the following pressures:

- the full cost of auto-enrolment of all eligible employees into the pension scheme, with a 2% pay increase each year;
- additional staffing costs as a result of TUPE of Library staff and the NJC scale point review;
- 2%, the Bank of England target inflation rate, being added to estimated expenditure;
- financing additional borrowing for the Shakespeare Park improvements
- that the Council will make diminishing savings (up to 2022/2023) to offset increases in cost and the loss of the Council Tax Support Grant; and

- that the base budget predicted when setting the Council Tax equates to the actual income and expenditure.

The strategy sets these within the political and economic context and expected changes to the provision of services.

9. Trust funds including charitable – in our capacity as the sole managing trustee we have discharged our accountability responsibilities for the funds(s)/assets, including financial reporting and, if required, independent examination or audit.

Met all of our responsibilities where the Council is a sole managing trustee of a local trust or trusts.

Not Applicable. The Council is not a sole managing trustee of trust/charitable funds.

Review of Systems of Internal Control

Having reviewed the control measures for each of the areas listed on the Annual Governance Statement and having reviewed and assessed the risks facing the Council and associated mitigating measures, on 13th June 2019 both the Corporate Governance Sub-Committee and Policy & Resources Committee were confident that to the best of their knowledge and belief, with respect of the accounting statements for the year ended 31st March 2018, there were sound systems of internal control and management of risk.

Therefore both Committees recommend to Council that the systems of internal control and management of risk be confirmed as sound and that Section 1, Annual Governance Statement 2018/19, of the Annual Governance and Accountability Return 2018/2019 be completed and submitted accordingly.

Recommendation

That the systems of internal control and management of risk be confirmed as sound and that Section 1, Annual Governance Statement 2018/19, of the Annual Governance and Accountability Return 2018/2019, attached at Appendix 3 of the report, be completed, signed and submitted accordingly.

Reason

Having reviewed the control measures for each of the areas listed on the Annual Governance Statement and having undertaken an assessment of risks facing the Council and associated mitigating measures, the Corporate Governance Sub-Committee were confident that to the best of their knowledge and belief, with respect to the Accounting Statements for the year ended 31st March 2019, there were sound systems of internal control and management of risk.

BRAUNSTONE TOWN COUNCIL: RISK MANAGEMENT – 1st JUNE 2019

Area	Risk	Level	Controls <i>(bold indicates areas where work is needed)</i>
Assets	Protection of physical assets	L	Buildings 'All Risks' insurance. Value increased annually by RPI. Fixed Assets list, which is published as part of the Accounting Statements, details Insurance Values for Buildings, Civic Regalia, Infrastructure (including CCTV, fences, sculptures and street furniture) and Recreation, Sports & Play Equipment.
	Security of buildings, equipment etc	L	Civic Centre, Thorpe Astley Community Centre and Mosssdale Meadows Garage are protected by CCTV and alarm call-out system. Shakespeare Park Store has a stand alone alarm system.
	Maintenance of buildings & Equipment etc	L-M	Buildings currently maintained in accordance with maintenance schedules. Annual ROSPA Report on Play Equipment – any remedial work undertaken on Winter Works Programme. Planned programme of electrical and safety equipment in place – In accordance with the Council's Safety Statement the Resources & Facilities Manager and the Senior Groundspersons are responsible for maintaining the Work Equipment Inventory, Legionella Inspection Regime and Equipment Maintenance Schedules (Form BTC 60)

Area	Risk	Level	Controls (bold indicates areas where work is needed)
Finance	Banking	M	<p>A minimum of two Current Accounts with the Co-operative Bank are maintained, a general account and a payroll account. Banking Arrangements are governed by Section 5 of the Council's Financial Regulations adopted on 30th June 2016 and revised on 11th May 2017.</p> <p>Out of £229,438.14 total cash and investments on 31st March 2019, £159,148.18 is invested with a Cambridge Building Society 90 Day Notice Account.</p> <p>The government Compensation Scheme offers full compensation up to £85,000 per saver or institution. The Council currently has its financial resources with two banking institutions.</p>
	Risk of consequential loss of income	L	<p>Insurance cover. This will be reviewed at the next renewal date to take account of the additional revenue from the Council's Community Centres. Important documents stored in fire proof safe and scanned onto the computer network, which is backed-up at Thorpe Astley Community Centre.</p> <p>The Council's Computer Booking System and Accounts Package are backed up daily on-line off the premises by the Package provider.</p>
	Loss of cash through theft or dishonesty	L	<p>The Council's systems of internal control are set out in the Financial Regulations revised on 11th May 2017. In addition we have adopted the 'Braunstone Area Office – Operational Instructions and Procedures' for Connect Service Shop transactions.</p>

Area	Risk	Level	Controls (bold indicates areas where work is needed)
Finance (cont.)	Loss of cash through theft or dishonesty (cont.)		The Council's Insurance Policy Limit to Employee Dishonesty has been raised to £287,054 (half the precept income, which is received in two instalments).
	Financial controls and records	L	Monthly bank reconciliations are prepared by the officer administering day to day finances and checked by the Executive Officer & Town Clerk. Two signatories on cheques and internet banking payments. Each Standing Committee receives a list of all expenditure transactions since the previous report. Policy & Resources Committee receive a summary of the Council's Cash and Reserves following the end of each quarter. Internal and external audit.
	Comply with Customs and Excise Regulations	L	Use help line when necessary. VAT payments and claims calculated by Executive Officer & Town Clerk. Internal and external auditor check.
	Sound budgeting to underlie annual precept	L	Policy & Resources Committee and Council receive detailed budgets in the late autumn. Precept derived directly from this. Expenditure against budget reported to Committees once each cycle.
	Complying with borrowing restrictions	L	No new borrowing. Potential future borrowing has been identified in relation to large projects on the Council's Capital Plan (approved by Council on 31st January 2019. These include renovation/rebuild of Shakespeare Park Pavilion.

Area	Risk	Level	Controls (bold indicates areas where work is needed)
Liability	Risk to third party, property or individuals	M	Insurance in place. Open spaces checked weekly. Trees investigated annually and when damage reported. Risk assessments of individual events carried out as necessary.
	Legal liability as consequence of asset ownership (especially playgrounds)	M	Insurance in place. Weekly checks of playgrounds and written records kept. Annual checks by ROSPA of playgrounds.
Employer Liability	Comply with Employment Law	L	The Council has commissioned the services of a professional Human Resource advisor, Personnel Advice & Solutions Ltd, to advise and support the Council on all employment matters. Membership of various national and regional bodies including Local Government Association, Society of Local Council Clerks, National Association of Local Councils. DIS checked weekly for updates. The Council has insurance for Employer's Liability.
	Comply with Tax & National Insurance requirements	L	Regular advice from HMRC and Sage. Internal and external auditor carries out annual checks.
	Safety of Staff and visitors	L-M	Panic alarms and CCTV fitted at Civic Centre and Thorpe Astley Community Centre. Regular risk assessment checks and reviews undertaken by the Health & Safety Consultative Group. Health & Safety Policy, reviewed and adopted in April 2018.

Area	Risk	Level	Controls (bold indicates areas where work is needed)
Legal Liability	Ensuring activities are within legal powers	L	Executive Officer & Town Clerk to clarify legal position on any new proposal. Legal advice to be sought where necessary, including from National Association of Local Councils.
	Proper and timely reporting via the Minutes	L	Council meets six times per annum and always receives Minutes of Standing Committees held in interim. Minutes made available to press and public at the Civic Centre and via the web site.
	Proper document control	L	Original leases deeds etc stored at in fire proof safe and at the Council's Solicitors office. Agreements and documentation made since 2015 have been scanned onto the computer network, which is backed-up at Thorpe Astley Community Centre.
Councillor propriety	Registers of Interests and gifts and hospitality in place	L	Register of interest completed. Gifts and hospitality register is available for public inspection during normal office hours

Internal Auditor's Report – Improvement Action Plan 2017/2018

Observation	Risk	Recommendations	Priority High/ Medium /Low	Braunstone Town Council Response to Recommendations	Officer Responsible	Action Taken (Date)
The Council's Financial Regulations are based on the National Association of Local Councils template; the Council has opted to make a number of changes and variations to better reflect the nature and scale of its financial systems and procedures.	Care must be taken to ensure that any changes made do not afford, inadvertently a lower standard of protection than that provided by the model template, that itself reflects legal requirements and the proper practices.	A simplified summary financial report be submitted to the Policy & Resources Committee, at least quarterly to include details of reserves held and bank reconciliations, which would aid understanding and transparency	M	Recommended report to be added to the agendas of the next Policy & Resources Committee meeting one month after the end of each quarter.	Executive Officer & Town Clerk	Included on Policy & Resources Committee agendas on: <ul style="list-style-type: none"> • 23rd August • 1st November • 14th February • 11th April.
The council should consider the requirements of the Equality Act 2010.	To ensure that any necessary reasonable adjustments have and can be made, both actually and on a contingency basis for all reasonably foreseeable eventualities.	Any changes to existing procedures should be incorporated into the council's risk management assessment and protocols.	L	To review insurance cover to ensure that claims under the Equality Act are covered.	Executive Officer & Town Clerk	Executive Officer & Town Clerk reviewed as part of annual insurance renewal (October 2018)

We acknowledge as the members of:

ENTER NAME OF AUTHORITY

our responsibility for ensuring that there is a sound system of internal control, including arrangements for 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 2019, that:

	Agreed		'Yes' means that this 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.			<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.			<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>
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 authority to conduct its business or manage its finances.			<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>
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.			<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.			<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.			<i>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.</i>
7. We took appropriate action on all matters raised in reports from internal and external audit.			<i>responded to matters brought to its attention by internal and external audit.</i>
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 authority and, where appropriate, have included them in the accounting statements.			<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>
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	N/A <i>has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.</i>

*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets should be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

DD/MM/YY

and recorded as minute reference:

MINUTE REFERENCE

Signed by the Chairman and Clerk of the meeting where approval was given:

Chairman SIGNATURE REQUIRED

Clerk SIGNATURE REQUIRED

Other information required by the Transparency Codes (not part of Annual Governance Statement)
 Authority web address

AUTHORITY WEBSITE ADDRESS