

BRAUNSTONE TOWN COUNCIL

24th JUNE 2021

Item 6 – Annual Governance Statement 2020/2021

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 2021 and to authorise the completion and submission of the Annual Governance Statement 2020/2021 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:* the Council reviewed its Medium Term Priorities and Financial Planning arrangements at Policy & Resources Committee in October 2020 and Council in November 2020 ahead of each Standing Committee reviewing its priorities and objectives alongside its budget and capital plan requirements for 2021/2022 in December 2020 and January 2021. The Council approved the Business Plan, Capital Plan and budget when setting the precept for 2021/2022 on 28th January 2021.

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

Prior to the commencement of a Capital Plan project, Policy & Resources Committee receives a financial appraisal, including grant funding options, use of revenue budgets and details of reserves. For larger more complex Capital Plan projects, regular reports are provided during and at the end of each project.

- 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.

The Responsible Financial Officer undertakes quarterly checks on the accounting records and supporting documents and ensures corrective action is taken where necessary.

- 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.

Policy & Resources Committee receive a summary of the reconciled amounts, cash and reserves following the end of each quarter.

- d) *Investments:* The Council maintains a high interest, short term 90 day notice investment account with a UK Building Society, which contains reserves and surplus' monies. Where large sums, such as a loan, are received for a capital project and part of the amount is not immediately due for payment, then the balance is invested in the 90 day notice account and drawn down as expenditure payments become due.

- e) *Statement of Accounts:* the accounting statements have been submitted:
- Corporate Governance Sub-Committee, 10th June 2021 (item 6);
 - Policy & Resources Committee, 10th June 2021 (item 6); and
 - will be submitted to Full Council on 24th June 2021 (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.

- f) *Reserves:* Policy & Resources Committee receive a summary of the cash and reserves following the end of each quarter. Policy & Resources Committee in October and Council in November reviews the position with both earmarked and non-earmarked reserves as part of its Medium Term Priorities and Financial Planning arrangements ahead of each Standing Committee reviewing its priorities and objectives alongside its budget and capital plan requirements for the following financial year.

Policy & Resources Committee also review the position with reserves as part of the financial appraisal for large Capital Projects.

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. With the exception of 2020, due to the Covid-19 pandemic. The Council reviews its Standing Orders and Financial Regulations on an annual basis and modifications were approved at Annual Council to the Standing Orders and Financial Regulations on 16th May 2019.

Due to the Covid-19 pandemic, the Council adopted fixed term addendums to the Standing Orders and Financial Regulations to facilitate remote attendance at Council and Committee meetings, enable authorisation of payments electronically and to provide an alternative for incidental expense payments to be made by BACS rather than using petty cash.

- 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, both of these were reviewed during the year. The Financial Regulations also set out the maximum limit on credit card purchases and require that the balance is fully paid each month.

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.

The Financial Regulations are reviewed annually by Policy & Resources Committee and Council. The internal control procedures are reviewed annual by Corporate Governance Sub-Committee.

An assessment of financial risks is attached at Appendix 1; proposed amendments are highlighted in **bold text**.

The Internal Audit has identified that the Council consider the risk of holding over £85,000 in any one bank account and the importance of regularly reviewing bank mandates.

- 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.

A full list of the Council's assets, including details of those purchased and disposed of during the financial year, are included with the annual accounting statements (which is the next item on the agenda).

- f) *Loans and Long Term Liabilities:* The Council drew down two loans totalling £936,936 during the year towards the financing of the Shakespeare Park Improvement Project. Borrowing approval was given by the Ministry of Housing, Communities and Local Government in January 2020 following submission of a detailed financial appraisal.

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

The Council assesses the funds needed for future capital and interest repayments on its loans through the annual Medium Term Priorities and Financial Planning process.

- g) *Review of Effectiveness:* an Internal Audit was undertaken by a competent and independent person on 28th May 2021, which will be considered by the Corporate Governance Sub-Committee and Policy & Resources Committee, prior to consideration of this report, in order that recommendations can be made to 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 powers:* the relevant legal powers for all the Council's activities are listed in the annual Budget, Precept and future estimates report and appendices, which is considered by Policy & Resources Committee in January each year and subsequently approved by Full Council.

When exercising legal powers, the relevant Standing Committee and the Council receive a report with the agenda setting out the context for the decision it is being asked to take, along with recommendations and supporting reasons. The Council's Proper Officer or the Deputy Proper Officer will be in attendance at Council and Standing Committee meetings to provide legal, financial and policy advice on the matters for determination.

- b) *General Power of Competence:* Following elections on 2nd May 2019, Braunstone Town Council determined on 16th May 2019, that it met 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 Standing Committee / Council as appropriate. Using the General Power of Competence, the Town Council manages and operates the Braunstone Town Library service and offers a Grant Scheme for individuals.

- c) *Regulations and Proper Practices:* The Executive Officer & Town Clerk reports to the relevant Standing 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 legal advice and support from North West Leicestershire Legal, 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 legal 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. However, in 2020, due to the Covid-19 pandemic, pressure on resources and the need to meet remotely meant that the detailed review of proper practices was undertaken directly by the Policy & Resources Committee.

- 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.

There was one instance during the year when the authority took a decision which had wider financial implications than it was aware of. While the decision itself and its application did not exceed the Council's powers or contravene any laws or regulations, the practical application of the decision had not been identified in the background report to the Policy & Resources Committee. Once the full implications of the decision became known, the Council's Proper Officer advised the Leader and Deputy Leader of the Council and reported to the next scheduled meeting of the Committee.

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 the authority's accounts.

- a) *Exercise of public rights:* for the Year Ended 31st March 2020, in accordance with the Accounts & Audit Regulations 2015, the Council published and made available the unaudited accounting records for electors to inspect. Due to Covid-19 restrictions in the Greater Leicester area in June and July 2020, and the uncertainty surrounding the length of time the restrictions would remain in force, the Council publicised that the information would be available for inspection between 1st September 2020 and 12th October 2020 as permitted under the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020. In practice the accounting records were available prior to 1st September 2020, since the restrictions were lifted in Braunstone Town on 18th July 2020.
- b) *Limited assurance review by the external auditor:* The External Audit was completed on 14th October 2020. A notice was published to electors on 19th October 2020, in accordance Accounts and Audit Regulations 2015 (SI 2015/234), of the conclusion of the audit and the right of electors to inspect the Annual Governance and Accountability 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; proposed amendments are highlighted in **bold text**. The Internal Audit has identified that the Council consider loss of reputation as a business risk.

Due to the Covid-19 pandemic, between 17th March 2020 and 31st August 2020, the Council operated under the urgency decision making provisions provided for in the Scheme of Delegation and the Business Continuity Plan. An initial impact assessment was carried out and Essential Business and Priorities identified and approved by Policy & Resources Committee on 30th April 2020.

As a result of the need to focus resources on the Covid-19 incident and response, the Health & Safety Consultative Group did not meet until 28th September 2020. The work of the Group being led in the initial stages of the pandemic by the Incident Response Leadership Team, which reported to Policy & Resources Committee, in accordance with the Business Continuity Plan.

In response to the Covid-19 pandemic, procedures, guidance and risk assessments were adopted and reviewed to ensure that the Council's services and activities were Covid-19 Secure. This included new procedures, guidance and risk assessments for a newly created service in response to the pandemic, the Braunstone Town Covid-19 Community Response, guidance for staff dealing with people with suspected Covid-19 symptoms, and guidance and risk assessments for homeworking.

During 2020, the Council commenced a large capital rebuild and refurbishment of the pavilion and site at Shakespeare Park. Due to the heavy plant and ongoing works adjacent to a recreation field, children's play area and public right of way; the Council appointed Browns Health and Safety to provide the Council with health and safety and risk advice concerning the management of the project, overseeing the works contract and with ensuring that the parts of the site which remained open to the public remained safe for use.

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.

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

or authorised institution. The Internal Audit has identified that the Council consider the risk of holding over £85,000 in any one bank account.

- 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 (see next item on the agenda).

During May 2020 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 27th May 2020 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.

Three high priority items were noted on two 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.

Policy & Resources Committee considered these items at its meeting on 20th August 2020 and agreed that repairs to the High Risk items listed in the report be completed as soon as possible and a work programme for other medium priority items with a risk factor of 9 should be undertaken before the end of the summer; with Medium priority items with a risk factor of 8 and below being included in the Winter Works Programme 2020/2021 (Policy & Resources Committee minute 115, 2019 – 2021).

On 11th June 2020, 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.

A list of the Town Council's fixed assets were revised and updated during 2020/2021 following new laptops and video conferencing equipment being purchased.

During the review, the Insurance Policy was updated to include new items purchased following the previous review. The Town Council's insurance policy covers the following risks:-

Public Liability	up to £15m any one claim
Employers Liability	up to £10m any one claim (£5m from Terrorism)
Money	£10,000 in transit, £7,000 in safe, £250 out of safe
Fidelity Guarantee	£900,000
Legal Defence	£250,000
Officials Liability	£250,000

Business Interruption Gross Rentals	£155,900
Additional Cost of Working	£50,000
(Maximum Indemnity Period:- 12 months)	

The Town Council had no insurance claims during the year. However, there is an ongoing public liability claim from 2013, which is being dealt with by the insurers and is shortly due to be heard in the County Court.

Following the closure of the Town Council's facilities due to the Covid-19 Pandemic; the Executive Officer & Town Clerk explored with the Insurance Broker whether the Council could claim for Business Interruption. The advice was that this was not included in the cover. The new policy explicitly rules out Virus, Disease and Pandemic Business Interruption cover; which is common across the insurance sector for standard policies.

As a result, the Town Council furloughed Centres staff not needed for Essential Business and Priorities. With the Government announcing the end of the furlough scheme on 31st October 2020 and with most regular hirers advising that they did not plan to return to the Council's Community Centres until at least Spring 2021; the Council undertook a staffing review in August 2020, which resulted in the halving the contracted hours of Customer & Information Service Advisors and Duty Officers – Community Centres from November 2020 in order to address the significant financial risk to the Council and long term risk to jobs resulting from the predicted ongoing loss of facilities income.

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.

An Internal Audit was undertaken John Marshall, through the Leicestershire & Rutland Association of Local Councils' Internal Audit Services on 28th May 2020, which will be considered by the Council's Corporate Governance Sub-Committee, Policy & Resources Committee and Council on the agenda prior to this item to ensure compliance with the provisions set out in the Annual Governance Statement.

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 was 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 the Council's attention by internal and external audit.

The overall opinion of the Internal Audit in 2019/2020 was that "the council continues to demonstrate high standards of compliance both with regulatory

requirements and the proper practices” and the internal audit found no audit issues or other issues that needed attention.

Two recommendations were made by the Internal Auditor in 2019 and the Action Plan was approved by Corporate Governance Sub-Committee, Policy & Resources Committee and Council in June 2019. One recommendation was to review information published on the Council’s website and the other an amendment to be included in the annual review of the Financial Regulations. Due to the Covid-19 Incident it had not possible to complete these actions, which were detailed in the Improvement Action Plan 2019/2020.

The recommendation to:

- update the Financial Regulation on contracts and tendering to reflect the Standing Orders; and
- include internal controls implemented following 2018/2019’s internal audit at Financial Regulation 2.2;

were accommodated in the review of Standing Orders and Financial Regulations, which were approved and adopted by the Annual Council meeting held on 13th May 2021.

The recommendation that “a review should be conducted to ensure that the information required by the Local Government Transparency Code 2015 is a) displayed on the Council’s website and b) current” was delayed due to the process of restructuring the website, which was then postponed due to the Covid-19 pandemic and the officer undertaking the work playing a key role in the coordination of the Town’s Covid-19 Community Response. Unfortunately, when work on restructuring the website recommenced at the beginning of the year, it was postponed again in February 2021 since the post is currently vacant. With recruitment underway, it is anticipated this work will be completed by the end of the summer. An update is included on the Internal Audit Action plan attached at Appendix 3 of the Internal Audit Item on the agenda.

The External Audit was completed on 14th October 2020 and concluded “*in our opinion the information in Sections 1 and 2 of the AGAR is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met*”. The outcome of the External Audit was reported to Policy & Resources Committee on 14th January 2021.

The External Audit raised another matter, which did not affect their opinion but they wished to draw to the attention of the authority. This related to the timing of the period of public rights not commencing until 1st September 2020. Details are set out in the External Audit completion certificate, reported to Policy & Resources Committee on 14th January 2021 and Corporate Governance Sub-Committee on 10th June 2021. The rationale for the Proper Officer’s approach is set out in Section 4, paragraph a, above.

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 12th November 2020. This document forms the framework for assessing the Council's priorities and future financial risks when developing its budget estimates for 2020/2021.

The Council's Medium Term Priorities and Financial Planning strategy assessed the impact of the following Financial Pressures for the period until 2025/2026, 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 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;
- savings from existing loans which mature during the period;
- use of reserves in earlier years to offset increases in the precept due to the loss of the Council Tax Support Grant and replenishing the reserves in later years when there are less predicted pressures on the budget;
- that the Council will make diminishing savings (up to 2024/2025); 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.

The Covid-19 Pandemic resulted in a significant loss of facilities income due to closures and restrictions as a result of the Covid-19 pandemic. In 2019/20, the Council received £144,373 in facilities income, in 2020/21 facilities income totalled £11,551. Most of this loss was offset by the furloughing of Centres staff. In July and August 2020 the Policy & Resources Committee reviewed the ongoing risk of significantly reduced facilities income, and with the anticipated end of the furlough scheme on 31st October 2020, undertook a staffing review, which resulted in the halving the contracted hours of some Centres staff. Some of the affected staff opted to take redundancy as an alternative to accepting halved contracted hours and this resulted in the Council having to meet additional pension strain costs.

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

The Corporate Governance Sub-Committee noted the proposed additions to the Council's Corporate Risks Assessment (Appendix 1) in respect of loss of reputation, as identified by the Internal Auditor in his report.

In respect of the Internal Auditor's recommendations concerning the sums in some of the Council's bank accounts exceeding the limit of protection afforded by the Financial Services Compensation Scheme; the Corporate Governance Sub-Committee determined that the risk of financial loss was low given the Council only invested in UK Bank Accounts and during the financial crises of 2008, the UK Government had taken steps to prevent banks at risk from collapsing. However, the Sub-Committee did resolve that the Council's Medium Term Priorities and Financial Strategy should set out the approach to investing sums in the bank.

Therefore, 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 10th June 2021 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 2021, there were sound systems of internal control and management of risk (Minute 7).

Recommendation

That the systems of internal control and management of risk, as set out in the report and at Appendix 1, be approved and confirmed as sound; and that Section 1, Annual Governance Statement 2020/21, of the Annual Governance and Accountability Return 2020/2021, attached at Appendix 2 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 the 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 2021, there were sound systems of internal control and management of risk.

BRAUNSTONE TOWN COUNCIL: CORPORATE RISK MANAGEMENT – 1st JUNE 2021

Area	Risk (bold indicates new risk)	Level	Controls (bold indicates revisions in June 2021)
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 Mossdale 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)
	Protection of Data and Electronic Information and Records	M	The Council employs a professional IT consultant, IT Solutions Ltd, to manage the Council's IT Systems, including security and back up.

Area	Risk (bold indicates new risk)	Level	Controls (bold indicates revisions in June 2021)
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 16th May 2019.</p> <p>Out of £621,657.04 total cash and investments on 31st March 2021, £411,036.34 is invested with a Cambridge Building Society 90 Day Notice Account. However, £250,000 of this is ring-fenced loan receipt for the Shakespeare Park improvements, which will be gradually drawn down to make payments over the coming months.</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 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> <p>Policy & Resources Committee receives financial comparisons against approved income budgets each cycle and where it identifies that loss of income is significant (for example due to Covid-19 restrictions in 2020) is able to receive reports setting out proposals to address the financial shortfall.</p>

Area	Risk (bold indicates new risk)	Level	Controls (bold indicates revisions in June 2021)
Finance (cont.)	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 16th May 2019. The Council also has Fidelity Guarantee insurance cover up to £900,000.</p> <p>The Council's Insurance Policy provides Officials Liability Insurance cover of £250,000.</p>
	Loss of income due to poor reputation and/or failure to provide a service	L	<p>The Council's Computer Booking System and Accounts Package are backed up daily on-line off the premises by the Package provider.</p> <p>The Council has policies and procedures in place relating to Customer Service, Business Continuity, Health & Safety and Complaints.</p> <p>Staff receive training in Customer Service and use of IT systems.</p>
	Financial controls and records	L	<p>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.</p>

Area	Risk (bold indicates new risk)	Level	Controls (bold indicates revisions in June 2021)
Finance (cont.)	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	The Council assesses the funds needed to secure existing and future capital and interest repayments on its loans through the annual Medium Term Priorities and Financial Planning process.
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 buildings and written records kept. Quarterly building safety checks undertaken and written records kept. Annual safety checks of playgrounds by ROSPA.
	Risk to individuals as a result of service operations.	M	Each of the Council's services and activities are risk assessed by the Health & Safety Consultative Group and control measures identified and reviewed at least every 3 years.

Area	Risk (bold indicates new risk)	Level	Controls (bold indicates revisions in June 2021)
Employer Liability	Comply with Employment Law	L	<p>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.</p> <p>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.</p>
	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.
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 the Council's Legal Advisors, North West Leicestershire Legal, and from the National Association of Local Councils.

Area	Risk (bold indicates new risk)	Level	Controls (bold indicates revisions in June 2021)
Legal Liability (cont.)	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
Service Provision	Loss of Service Provision due to an Emergency or Legal Restriction	M	The Council has policies and procedures in place for Business Continuity and Recovery. The policy is reviewed at least every three years and following legislative changes or use during an incident (e.g. Covid-19).

Section 1 – Annual Governance Statement 2020/21

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 2021, 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 must 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

ENTER PUBLICLY AVAILABLE WEBSITE/WEBPAGE ADDRESS