

BRAUNSTONE TOWN COUNCIL

29th JUNE 2023

Item 6 – Annual Governance Statement 2022/2023

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 2023 and to authorise the completion and submission of the Annual Governance Statement 2022/2023 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 on 3rd November 2022 and at Council on 17th November 2022 ahead of each Standing Committee reviewing its priorities and objectives alongside its budget and capital plan requirements for 2023/2024 in December 2022 and January 2023. The Council approved the Business Plan, Capital Plan and budget when setting the precept for 2022/2023 on 26th January 2023.*

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, Policy & Resources Committee receives an update

report at each meeting during the project and a final report on spending at the meeting following the completion of the project.

- b) *Accounting Records and Supporting Documents:* 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.

Income received is totalled daily on summary sheets. Invoices for payment are processed at least once a week. 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 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, usually the Deputy Responsible Financial Officer, and counter signed by the 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, Cambridge, 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.

The Council reviews and approves its annual Treasury Management and Investment Strategy in November each year when considering its Medium Term Priorities and Financial Planning arrangements.

- e) *Statement of Accounts:* at the end of the financial year, the Responsible Financial Officer closes down the accounts and ensures that the income and expenditure transactions balance with the sums held in the bank accounts.

A summary of the headline figures is reported to Policy & Resources Committee (27th April 2023). Arrangements are made for the Internal Audit to take place in May (3rd). Following the Internal Audit, the accounting statements are submitted:

- Corporate Governance Sub-Committee, 15th June 2023 (item 8);

- Policy & Resources Committee, 16th June 2023 (item 8); and
- will be submitted to Full Council on 29th June 2023 (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 Local Audit and Accountability Act 2014) whose gross annual income or expenditure is higher than £25,000 and less than £6.5 million. Accordingly it is audited under the limited assurance 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.

At the beginning of the financial year, the authority held £117,766 in non-earmarked reserves (the precept being £681,961). At the end of the financial year, the authority held £70,804 in non-earmarked reserves, primarily because the Council had to dip into its reserves to meet a higher than anticipated NJC pay settlement and increased costs due to inflation, particularly fuel and vehicle costs. As a result, the Council took the step in January to increase its precept by 7.37%, which will increase the base budget by £55,679. The original projected increase of 5.8%, which had been identified in the Medium Term Financial Planning Report of 17th November 2022, would have increased the budget by £41,757. The Council, when setting the budget on 26th January 2023, received updated projections for reinstating the reserves over the coming years.

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. The Council reviews its Standing Orders and Financial Regulations on an annual basis and modifications were approved at Annual Council on 18th May 2023 to both the Standing Orders and Financial Regulations.

Section 11 of the Financial Regulations set out:

- delegated spending limits of officers and Standing Committees;
- a requirement to seek at least three competitive tenders for items over £5,000 and below £25,000; and
- the requirement to follow the procedures set out in the Procurement Act 2015 for all expenditure of £25,000 and over.

- 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, the officer who issued the order will check to ensure the goods or service has been received. Payment is authorised by two members of the Council or one member of the Council and the Chief Executive & Town Clerk (where he did not issue the order).

Invoices are issued in accordance with contracts and terms and conditions. Payment is requested within 30 days. Where payment is not received, then a reminder invoice is sent. If payment remains outstanding after 30 days, a final demand is raised. After this, the provisions of the contract, relevant terms and conditions are applied.

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, arrangements for the use of corporate credit cards and regular direct debit and standing order payments. These were last reviewed in 2021. Following a recommendation from the Internal Auditor, these will now be reviewed annually by Corporate Governance Sub-Committee in June. 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 annually by Corporate Governance Sub-Committee.

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

- 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 has a contract with a Human Resources Company for advice on detailed employment and contractual matters. 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 paid 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.

For larger projects, contracts and for new initiatives where there are VAT implications, the authority employs the advice of a professional VAT consultant. For example, when issuing the Licence to Occupy the Shakespeare Park Sports Pavilion to a Management Association made up of the Sports Clubs and the Council.

- 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).

Real property (interests in land) can only be disposed with the approval of the Policy & Resources Committee. Any other assets can be disposed by the Chief Executive & Town Clerk where the value is £1,000 or less; or the relevant Standing Committee where the value exceeds £1,000.

- f) *Loans and Long Term Liabilities:* The Council drew down one loan during the financial year 2022/2023 towards the cost of refurbishing the toilet and kitchen facilities at Braunstone Civic Centre. A full financial appraisal of the project was considered and approved by Policy & Resources Committee (27th September 2022) and Council (6th October 2022).

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 in November.

g) *Review of Effectiveness:* an Internal Audit was undertaken by a competent and independent person on 3rd May 2023, 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 the Council has the legal power to do and has 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.

The Town Council has an annual agreement with North West Leicestershire legal for the provision of a range of legal advice and services. The Council is also a member of the Leicestershire and Rutland Association of Local Councils and National Association of Local Councils, which are able to provide advice on the powers and duties of Local Councils.

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.

The Council reviews its Standing Orders, Financial Regulations and Scheme of Delegation annually to ensure that its procedures comply with relevant statutes and that decisions are made within the authority at an appropriate level.

b) *General Power of Competence:* Following elections on 4th May 2023, Braunstone Town Council determined on 18th May 2023, 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 legal advice is sought (see paragraph a above) and the details are set out in the report of the Chief Executive & 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 Chief Executive & 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 Chief Executive & 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, Financial Regulations, Scheme of Delegation and Councillor Code of Conduct to ensure compliance. Council policies are reviewed at least every Council Term 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 Chief Executive & Town Clerk as the principle legal advisor (or the Deputy Chief Executive & Community Services Manager), 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 were no instances during the year when the authority exceeded its powers or contravened any laws, regulations or proper practices.

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 2022, in accordance with Sections 26 and 27 of the Local Audit and Accountability Act 2014 and Part 5 of the Accounts & Audit Regulations 2015, the Council published on Thursday 30th June 2022:

- Sections 1 and 2 of the Annual Governance and Accountability Return;
- a declaration that the status of the statement of accounts was 'unaudited'; and
- a statement that set out details of how the public rights could be exercised, which commenced on Friday 1st July 2022 until Thursday 11th August 2022.

b) *External Auditor's Review:* The External Audit was completed on 26th September 2022. A notice was published to electors on 30th September 2022, in accordance with Regulation 16 of the Accounts and Audit Regulations 2015, 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**.

During the year, the Health & Safety Consultative Group undertook a rolling review of operational service and activity risk assessments. Due to the Covid-19 pandemic and the need to focus resources on the Covid-19 incident and response, which included developing Covid-19 response procedures and guidance and adoption of risk assessments to ensure that the Council's services and activities were Covid-19 Secure, all operational service and activity risk assessments were suspended for 15 months. The programme of rolling reviews recommenced in June 2021 and all outstanding reviews were completed by the beginning of 2023.

During the financial year 2022/2023, the Health & Safety Consultative Group completed a review of the following operational service and activity risk assessments:

- Asbestos
- Cash Handling and Transport
- Hedge Trimming
- Herbicides – Use of
- Icy Surfaces – General
- Leaf Blowing
- Litter Picking
- Manual Handling General
- Mowing / Strimming
- Offices

- Open Spaces & Parks – General
- Outdoor Working
- Play Equipment – Basic Maintenance
- Playing Fields – General
- Ponds and Water
- Speed Activation Sign
- Spraying and Storing Pesticides
- Storage of Chemicals
- Storage of Petrol
- Stress at Work
- Tree Maintenance
- Vehicles – Use of
- Working at Height
- Working on the Highway

The Group also discontinued the following COVID-19 Risk Assessments:

- Preventing the spread of Infections – Cleaning Services;
- Preventing the spread of Infections – Community Centres;
- Braunstone Town Covid-19 Community Response;
- Preventing the spread of Infections – Library service and Receptions;
- Preventing the spread of Infections – Offices;
- Preventing the spread of Infections - Parks & Open Spaces;
- Preventing the spread of Infections - Playgrounds & Outdoor Gyms; and
- Covid-19 – The Civic Community Lounge – Prevent the spread of infections.

However, the Group agreed to keep the Risk Assessments on file in order that they could be adapted and applied to any similar situation that arose in the future.

Fire Risk Assessments as required by Regulatory Reform (Fire Safety) Order 2005 were completed for Braunstone Civic Centre, Thorpe Astley Community Centre and Mossdale Meadows Depot and Sports Changing Rooms on 11th July 2022 by Vital, which also included a General Risk Assessment. These were reported to the Health & Safety Consultative Group on 29th November 2022 and a Summary of recommendations and significant residual risks were adopted. As a result of these, action has been taken to address individual recommendations and the Fire Risk Assessment checklist, completed every three months, and the daily checklists were updated. Both a Fire Risk Assessment and a General Risk Assessment was undertaken on the new Shakespeare Park Sports Pavilion in July 2021 and all the recommendations were implemented prior to the building be open for use.

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 Corporate Governance Sub-Committee reviewed the risks of holding over £85,000 in any one bank account in

June 2021 and considered the risk of losing large sums was low given the Town Council only invested in UK Bank Accounts (Corporate Governance Sub-Committee minute 7, resolution and reason 1, 2021/2022).

- 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 was valued in July 2021 upon practical completion. 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 June 2022 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 inspections included reports on fencing, litter bins, safety surfaces and play equipment with priorities for work marked low, medium or high.

Two high priority items were noted at two of the Town Council's play areas as follows:

- a) Lakin Drive -Slide Tower fixing band snapped – repair completed immediately; and
- b) Franklin Park teen play area corrosion on platform – item removed.

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 27th September 2022 and agreed a work programme for the medium priority items with a risk factor of 9 should be undertaken immediately; with Medium priority items with a risk factor of 8 and below being included in the Winter Works Programme 2022/2023.

On 16th June 2022, 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 was revised and updated during 2022/2023 following the purchase of four new notice boards and the refurbishment of the tennis courts at Shakespeare Park, including the installation of Smart Access Gates at both the Council's Tennis Courts.

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 £10m any one claim
Employers Liability	up to £10m any one claim (£5m from Terrorism)
Money	Premises during working hours/in safe: £1,000; Out of safe/in transit, £1,000.
Fidelity Guarantee	£500,000
Legal Defence	£100,000
Officials Liability	£500,000
Business Interruption Gross Rentals	£120,972
Additional Cost of Working (Maximum Indemnity Period:- 12 months)	£10,000

On 18th August 2022, following consultation with the Council's Insurer, a claim made by a resident to cover Vet's bills of £108.48 for an injury sustained by their dog when it fell into a manhole on Franklin Park was settled directly the Council, on a without prejudice basis and without accepting liability, given the amounts fell within the insurance excess.

Following on from this incident a mapping exercise was undertaken of all manholes on the Council's land, identifying ownership. As a preventative measure a steel cover/lid was also put on the manhole in Franklin Park and bolted down.

On 26th January 2023, a resident contacted the Council concerning an alleged personal injury caused by a bollard at Holmfield Park in June 2022. In accordance with the Council's Health & Safety Policy & Procedure an internal investigation was undertaken. The Health & Safety Checks (both detailed and visual) prior, during and after June 2022 were all in order with no defects found. The Deputy Chief Executive & Community Services Manager and Senior Groundman were both unaware of any issues with the bollard at that time. There was no report of the incident at the time; therefore the Council was unable to investigate the matter and examine the bollard around the time of the incident. The Council received no other reports concerning this bollard, prior to the incident or after the incident.

The investigation concluded that focus should be on assessing the risk of a similar situation arising in the future; therefore, the Deputy Chief Executive & Community Services Manager, as the Service Manager for the Parks and Open Spaces Service, undertook a risk assessment of the bollard, including how it operated and is secured, to ascertain the level of risk and whether any mitigating actions should be taken which are proportionate to the risk.

The Complainant Appealed the Outcome and the Council's Appeals Committee concluded that the complaint appeal not be upheld. The Committee felt that there was no further evidence to support the appellant's appeal and their attendance at the meeting would have been a good opportunity for the appellant to explain about the incident and to show the

Committee any further supporting information (Appeals Committee Minute 5 2022/2023).

The complainant was referred to the Council's Insurer and all relevant documentation passed to the Insurer.

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 3rd May 2023, 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 2021/2022 was that "*the council is to be congratulated on continuing to maintain a high standard of delivery of its functions and services, an outcome that is the product of its readiness and resilience arrangements and governance arrangements that are consistently well above average*".

One recommendation was made by the Internal Auditor in 2022 and the Action Plan was approved by Corporate Governance Sub-Committee, Policy & Resources Committee and Council in June 2022. The recommendation related to Financial Regulation 6.6 – variable direct debits. The Internal Auditor recommended that "*Consideration be given to reducing the frequency of review from 'at least every two years' to 'at least annually'*". This recommendation was accommodated in the updated Financial Regulations approved by Annual Council on 18th May 2023 (Council Minute 6122).

The External Audit was completed on 26th September 2022 and no matters were raised concerning the Town Council's accounts and governance arrangements for the year ended 31st March 2022. The outcome of the

External Audit was reported to Policy & Resources Committee on 3rd November 2022.

- 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 17th November 2022. This document forms the framework for assessing the Council's priorities and future financial risks when developing its budget estimates for 2022/2023.

The Council's Medium Term Priorities and Financial Planning Strategy assessed the impact of the following Financial Pressures for the period until 2027/2028, based on the following pressures:

- pension scheme costs, taking into account the 2020 valuation with a 4% pay increase this year;
- additional staffing costs as a result of the NJC scale point review and ensuring the Council pays the foundation living wage, predicted to be 20% over the next 5 years;
- 10% inflation on operational costs during 2023/24;
- that proposals for a Health and Social Care Levy from April 2023, with an employer contribution of 1.25%, will be abolished;
- savings from existing loans which mature during the period;
- predicted savings/additional income of £32,043 from 2023 as a result of carbon reduction measures (installation of Solar PV Panels and an Air Source Heat Pump); 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, as a body corporate, 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 received and approved the proposed updates to the Council's Corporate Risks Assessment (Appendix 1).

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 15th June 2023 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 2023, 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 in the updated Corporate Risk Register at Appendix 1, be approved and confirmed as sound; and that Section 1, Annual Governance Statement 2022/23, of the Annual Governance and Accountability Return 2022/2023, 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 also 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 2023, there were sound systems of internal control and management of risk.

BRAUNSTONE TOWN COUNCIL: CORPORATE RISK MANAGEMENT – 1st JUNE 2023

Area	Risk (bold indicates new risk)	Level	Controls (bold indicates revisions in June 2023)
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, Shakespeare Park Pavilion and Mossdale Meadows Garage are protected by CCTV and alarm call-out 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 2023)
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 12th May 2022 and 18th May 2023.</p> <p>Out of £157,711.05 total cash and investments on 31st March 2023, £62,129.25 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 United Kingdom banking institutions.</p>
	Risk of consequential loss of income	L	<p>Insurance cover. This will be reviewed prior to renewal in November to take account of the revenue from the Council’s Community Centres.</p> <p>Important documents stored in fire proof safe and scanned onto the computer network, which is backed-up at Thorpe Astley Community Centre. 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 2023)
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 12th May 2022 and 18th May 2023. The Council also has Fidelity Guarantee insurance cover up to £500,000.</p> <p>The Council's Insurance Policy provides Officials Liability Insurance cover of £500,000; with legal representation costs of £15,000.</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 Chief Executive & 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>
	Comply with Customs and Excise Regulations	L	<p>Use help line when necessary. VAT payments and claims calculated by the Chief Executive & Town Clerk. Internal and external auditor check. Professional VAT advice sought for major projects and new circumstances.</p>

Area	Risk (bold indicates new risk)	Level	Controls (bold indicates revisions in June 2023)
Finance (cont.)	Sound budgeting to underlie annual precept	L	Policy & Resources Committee and Council receive the annual Medium Term Priorities and Financial Planning assessment each autumn. Precept derived directly from this. Expenditure against budget reported to Committees 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 2023)
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 (scheduled for review in 2023).
Legal Liability	Ensuring activities are within legal powers	L	Chief Executive & 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.
	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.

APPENDIX 1

Area	Risk (bold indicates new risk)	Level	Controls (bold indicates revisions in June 2023)
Legal Liability (cont.)	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 was adopted in April 2018 is reviewed at least every three years and following legislative changes or use during an incident. The policy was updated in October 2020 following its use during the Covid-19 incident and recovery. The policy is next scheduled for review in 2025 .

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 2023, 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/YYYY

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