

**MINUTES OF THE JUNE PART I FINANCE, AUDIT & PERSONNEL
MEETING OF BIRCHWOOD TOWN COUNCIL,
HELD ONLINE, ON TUESDAY 23RD JUNE 2020, 6PM**

Present: Councillor Reeves in the Chair
Councillors Atkin, Breslin, D. Ellis, J. Ellis, Evans, Fitzsimmons and
T. Hearldon

Clerk – Mrs. F. McDonald
Deputy Clerk – Mrs C. Caddock
Business and Finance Officer - Mr. G. Crowe

1 guest

Apologies: Councillors M. Hearldon (dispensation) and Nelson (dispensation)

067/20-21 **MAY 2020 PART I FINANCE, AUDIT & PERSONNEL MEETING MINUTES**

Councillor Atkin proposed, Councillor Breslin seconded, and it was resolved that: The Minutes of the Part I Finance, Audit & Personnel Meeting held on 12th May 2020 be approved as an accurate record and signed by the Chair.

Code of Conduct – Declaration of Interests

The Chair reminded members of their responsibility to declare any personal interest or prejudicial interest which they have in any item of business on the agenda, no later than when the item is reached.

Councillors Breslin, D. Ellis and J. Ellis– Birchwood Youth & Community Centre Committee

068/20-21 **PAYMENT OF ACCOUNTS**

Members were asked to consider and approve the payment of accounts schedule – (see pages 62 and 63 below).

Councillor Fitzsimmons **proposed** the Payment of Accounts be approved; Councillor Evans **seconded** the proposal. This was **resolved** by those Members present.

PROGRESS REPORTS ON CURRENT FINANCE, AUDIT & PERSONNEL ITEMS

069/20-21 **BIRCHWOOD YOUTH AND COMMUNITY CENTRE (BYCC) – LEASE DISCUSSIONS**

- (a) The BAFO informed Members that a letter was written regarding the current lease agreement between BYCC and BTC, and how we envisage the agreement going forward. This was to enable BYCC to prove to other organisations that an interim lease arrangement exists.

The BAFO added that he has begun liaising with a Warrington-based law firm, which was the originator of the first lease, regarding the drawing up of a new formal lease agreement. This had been delayed due to Covid-19 'lockdown'. A copy of the original lease has been sent to the solicitor, along with a request for it to be made more concise.

We are currently awaiting an initial response from the solicitor.

The solicitor had asked a number of questions during a telephone conversation with the BAFO, which will be considered as part of the drawing up of the lease.

The BAFO confirmed that Councillor D. Ellis, in his role as Chair of the Trustees of BYCC, will be involved in the preparation of the lease.

- (b) For information, Councillor D. Ellis said that the BYCC Trustees are currently considering some of the latest updates from the Government regarding the potential re-opening of community centres from 6th July 2020.

He stated that they will be undertaking some risk assessments to assess if it could be safe to open. He added that users will not be ‘forced’ to return until they feel safe to do so.

The Chair commented that there is a difference between they ‘can’ open and ‘will’ open and would understand if community centres choose to remain shut until the threat level of the Coronavirus re-emerging/spreading is much lower or eliminated.

070/20-21 **PARKERS FARM ESTATE**

The BAFO stated that he shares the frustration of the Chair (see Minute 057/20-21 from the main meeting) as no matter what we do, we seem to be going around in circles, rather than making progress regarding the repairs required to the Parkers Farm building, particularly in relation to damp issues.

The BAFO said that the initial planning application regarding remedial works on the Parkers Farm building has, as requested by Members, and on advice from the Conservation Planning Officer, been withdrawn.

The BAFO informed Members that he has recommenced conversations with CUBE, following the receipt of the recent damp survey, specifically with regard to condensation control and ‘mechanical ventilation’. He added that he had been copied into some technical email exchanges that CUBE had with another specialist contractor which deals with damp issues and condensation control, etc. (copied to Members, in their papers).

Following the email from the other contractor, CUBE wrote to the BAFO stating, “*Giving some thought to Parkers Farm and the condensation control, we are struggling to advise on a suitable way forward. Please read a note below from a Mechanical specialist advising that there are no mechanical ways to assist especially in a small office building such as Parker Farm.*”

One suggestion made, “*. . . is to have an extract fan running on one end of the room (similar to a fan in your bathroom but larger) with an airbrick on the other side to allow airflow through the building. However, this will require holes to the external walls to allow this to be implemented. We can get the contractor to calculate this but will need to visit the office? The downside to this will be running costs, cold air in winter and additional heating bills!*”

Appreciate we are going around in circles here, but the best advice is to allow the moisture to escape externally i.e. through the brick joints as originally proposed. . .”

The BAFO commented that any installation of fans, etc. would be subject to another listed building application, as it would affect the fabric of the building.

CUBE acknowledged that we appear to be no further forward than we were at the beginning of this whole process. They still believe that the best advice is to allow the moisture to escape externally i.e. through the brick joints, which would involve replacing the current mortar with lime mortar – which would be a significant undertaking. They are mindful that the Planning Officer is not in favour of this approach.

Following discussions, it was agreed that (remote) meetings should be set up; one with CUBE and another with the Conservation Planning Officer to try to establish the best way forward regarding this matter.

Action Clerk's office to arrange the necessary meetings.

071/20-21 **SERVICING OF OUR FIRE ALARM AND EMERGENCY LIGHTING**

- (a) To note that contractors will be attending our site on 10th July 2020 to replace the emergency lighting that failed the three-hour soak test at the January servicing. This was previously arranged for earlier in the year, but was delayed due to Covid-19 lockdown.
- (b) To note that we are liaising with ESI to arrange a date for them to undertake the 6-monthly servicing of our fire alarm and emergency lighting (after the 'faulty' emergency lights have been replaced).

072/20-21 **NOTICE BOARDS**

To note that two additional notice boards have been ordered, for Locking Stumps and Gorse Covert. It was previously agreed by Members that if we are happy with the 18 x A4 size board we ordered for Parkers Farm (which we are) Officers should order the other two. These will be 12 x A4 size. A 10% discount (from the cost of all three boards) has been applied to the order (£935.00 +VAT).

073/20-21 **GRANT AID REQUEST**

To note that Officers have been liaising with Rev Rebecca Roberts re: a grant aid application that was made prior to lockdown, which could not be awarded due to the nature of the event (which currently cannot take place due to lockdown restrictions in place.) An alternative application has been made – see Minute 082/20-21 below.

074/20-21 **ANNUAL RISK ASSESSMENT REVIEW (FINANCIAL AND OPERATIONAL PROCESSES)/ANNUAL REVIEW OF INTERNAL CONTROLS (APPENDIX C)**

The BAFO informed Members that because the formal approval of Appendix C was unavoidably delayed due to the cancellation of the March 2020 meeting – therefore it was approved outside of the financial year - the internal auditor has noted this in his report and will put an explanatory note on the AGAR (see Minute 084/20-21 (a) below).

075/20-21 **STAFF TRAINING**

To note that the ride-on-mower training course will now take place on Monday 27th July 2020 and the brushcutter refresher training on Wednesday 29th July 2020. (These had been postponed due to the Coronavirus pandemic.)

076/20-21 **IT CONTRACT / HARDWARE**

- (a) To note that, as agreed, the annual renewal contract has been signed with Yellowbus, our current specialist IT consultants.

- (b) To note that, as agreed by Members, a new laptop has been purchased, which will enable any Officer to work from home if necessary. It will be set up in the same way as the office PCs are (£740 +VAT).
- (c) To note that, as requested by Members, two webcams have been purchased to enable the Clerk and Deputy Clerk to be seen when in remote meetings (£64.96 +VAT).

077/20-21 **COVID-19 – THE RETURN TO WORK**

- (a) To note that we received information from Terrain, our Health and Safety Specialist consultants, regarding a return to work risk assessment.
- (b) To note that the Clerk liaised with Terrain and a detailed ‘returning to work’ Risk Assessment form has been created and completed (copied to Members in their papers).

078/20-21 **VEHICLE REPAIRS**

- (a) To report on some necessary repairs that were undertaken on one of our vehicles, which involved a portion of the repair having to be undertaken by an IVECO dealer (£527.84 +VAT).
- (b) To note that WBC offer servicing, MOT preparation and a repairs service for vehicles. The MOT’s are done off site. Overall, we have been happy with the service, which we used whilst other garages were closed during lockdown.

Members **resolved** that they would permit Officers to consider using WBC for future vehicle repairs, MOTs and services.

079/20-21 **WEBSITE AND DOMAIN**

Received – our SLA regarding the renewal of the Joomla! CMS Support for one year (website) plus Shared Server Hosting Account on a Cloud Platform in the UK for one year.

NEW FINANCE, AUDIT AND PERSONNEL ITEMS

080/20-21 **BANK ACCOUNT RECONCILIATION**

To receive the Town Council’s Income and Expenditure Statements and Bank Reconciliation Schedules for the account period 1st April 2019 – 30th April 2020 and 1st April 2019 – 31st May 2020.

April’s payroll figure was £12,578.79 (10 staff) May was £12,567.58 (10 staff) and June was £13,179.79 (10 staff – including approved wage rises for 7 staff, backdated to 1st April 2020).

After consideration and approval by Members the schedules will be signed by the Clerk and the Chair, as soon as is practicable.

Councillor Evans **proposed**, Councillor D. Ellis **seconded** and Members **unanimously resolved** to approve the bank reconciliations.

081/20-21 **CHESHIRE PENSION FUND**

To note the postponement of the Pensions Consultative Forum on 19th June, due to current circumstances. This meeting will now take place on 16th October 2020, in a virtual format.

082/20-21 **GRANT APPLICATION**

(The Church of the Transfiguration) The Parochial Church - is requesting a grant of £200 to support a virtual holiday club/summer scheme for Birchwood children, once a week for six weeks. Detailed information was included on the grant application form (circulated to Members in their papers). The Church's financial statements were included with the grant application.

The BAFO stated that the Town Council has supported similar summer playschemes in the past, the only difference being that this one will be held in a virtual format.

Members discussed the application.

Councillor Atkin **proposed**, Councillor D. Ellis **seconded** and it was **unanimously resolved** that the £200 requested be awarded to support this virtual holiday club.

Action Clerk's office to notify the Church and to arrange for the payment of the grant award.

083/20-21 **GENERAL ITEMS FOR REPORTING/NOTING**

(a) To note that the Clerk has been liaising with our employment law specialist consultants re: a query regarding contracts. They advised that changes that we had been made aware of only apply to staff hired on or after 6th April 2020. This, therefore, does not apply to current staff members.

(b) An email has been received from Birchwood Forum asking whether businesses can help in getting students online. Details were copied to Members in their papers.

Members noted this correspondence. They felt the request is aimed more at businesses, rather than other community organisations.

(c) Received - various newsletters from SAS Daniels.

(d) Received - information from Elas re: statutory sick pay regulations, brought into force in response to the 'Test and Trace' system.

(e) To receive information from Npower, asking us to send our metre readings (which we are doing) so that they do not have to enter our premises during the current Covid-19 situation.

(f) To note the payment to Autoglass of £325.14 (inc. VAT) for the replacement of a vehicle window, damaged by a stone, whilst one of our operatives was brush cutting a local grass verge.

(g) To note that on 25/07/2020 our annual Direct Debit payment due in respect the payment to EMAP Publishing Limited for copies of the Local Government Chronicle, will be £295.00 +VAT.

084/20-21 **INTERNAL AUDIT OF ACCOUNTS FOR THE YEAR END 31ST MARCH 2020**

(a) To note that the internal auditor undertook the final end of year audit on 12th June 2020. As he was satisfied that all the documentation has been prepared in accordance with 'proper practices', he will sign the Internal Audit Report section of the Annual Governance and Accountability Return (AGAR). The original copy has been posted to him for him to sign and return.

The only 'issue' raised was that the Annual Risk Assessment document was not formally approved in the 2019/2020 financial year, due to the sudden Covid-19 pandemic lockdown, causing the March 2020 and April 2020 meetings to be cancelled. Although the document had been circulated to Members prior to the sudden, late cancellation of the March 2020 meeting, and they had requested, by email, a couple of minor alterations be made to the document, it was only formally approved at the May 2020 meeting.

See also Minute 086/20-21 below re: consideration/approval of the Annual Accounts and Annual Governance and Accountability Return (Agar) 2019/2020 – Part 3.

A copy of the year end Internal Audit Report can be found on pages 64 to 69 below.

- (b) To note that action has been taken regarding the internal auditor's advice from the interim audit for 2019/2020 that we should start to use Purchase Orders. We now issue a Purchase Order number if one is requested by a supplier and the Financial Regulations (10.1) were amended accordingly.
- (c) Members were reminded of the continuing internal auditor appointment for 2019/2020 and method of working, including the 'remote' year-end audit process for 2019/2020, due to the Covid pandemic. Officers had prepared a significant 'bundle' of documents requested by the internal auditor, which were sent to him.

A few additional items were also emailed, as requested, to clarify some points; including confirmation of the earmarked funds – which are listed on the relevant year-end Balance Sheet as at 31/03/2020. This document is part of the finalised pack, circulated to the internal auditor, as well as to all Members, for final consideration and approval:

The balances for 31/03/2019 reflected finalised earmarked reserves:

- (a) £91,658.03 earmarked funds towards project costs of the offices Grade II repairs scheme (£70,000.00) and Community Development Fund (£21,658.03).
- (b) £40,000.00 earmarked funds towards general equipment in the near future i.e. replacement vehicles, maintenance equipment/office supplies and computer equipment.
- (c) £40,000.00 Election fees fund.
- (d) £166,000.00 Working balances and general reserves (6 month)

The balances for 31/03/2020 reflected finalised earmarked reserves:

- (a) £106,863.47 earmarked funds towards project costs of the offices Grade II repairs scheme (£70,000.00) and Community Development Fund (£36,863.47).
- (b) £45,000.00 earmarked funds towards general equipment in the near future i.e. replacement vehicles, maintenance equipment/office supplies and computer equipment.
- (c) £35,000.00 Election fees fund.
- (d) £160,000.00 Working balances and general reserves (6 month)

The above proposed earmarked reserves at 31/03/2020 (slightly amended from the Annual Budget meeting) were **unanimously approved** by the Council

The internal auditor had already undertaken an in-depth interim audit, at our offices, on 23rd January 2020.

085/20-21 **ANNUAL FINANCIAL RISK ASSESSMENT REVIEW**

- (a) To comply with the financial year end requirements, specifically the Annual Governance and Accountability Return (AGAR) Part 3 Members annually spend time going through the existing financial control mechanism; the present method of managing and reporting of the Council's financial information.

The Annual Financial Risk Assessment Review was due to be considered by Members at the March 2020 Council meeting and was listed on the Clerk's Report as item 13.6 (e). However, due to the Covid-19 pandemic, the March meeting was cancelled at the last minute, as the country went into lockdown. Members had already been issued with the papers for the meeting and between the date of the cancelled March meeting and our next meeting, which took place remotely on 12th May 2020, emailed some comments back to Officers regarding slight amendments.

This concluded with our updated Annual Risk Assessment Schedules being formally ratified at the May 2020 meeting (Minute 030/20-21).

Members were referred to the Council's Standing Orders and Financial Regulations, which were discussed during the main May 2020 Annual Council Meeting.

Members confirmed that they considered the amended Standing Orders and Financial Regulations (approved in May 2019) to be comprehensive and covered and safeguarded the management of the Council's finances and control information for the 2019/2020 financial year just ended and, with the amendments made as agreed (see Minutes 040/19-20 and 041/19-20) they had needed no further adjustment for the 2019/2020 financial year.

The BAFO stated that the internal auditor's 2019/2020 interim report, in January, had raised the issue of the National Association of Local Councils (NALC) updating its model financial regulations (FRs). The internal auditor had recommended incorporating revisions into the Town Council's FRs, which has been done (see Minute 319/19-20 (2)) "*NALC has issued updated model FRs that include amendments to sections including contracts. The internal auditor recommends the Council reviews the latest NALC FRs and incorporate revisions where applicable.*"

The Deputy RFO circulated some draft revised FRs to Members which incorporate the latest revisions into our current FRs. She said that there is quite a lot of new material within the draft, taken from the updated NALC FRs. These are mainly additional detail relating to the way in which the Council (already) operates, with some points that had not be clarified previously within our FRs."

Amended Standing Orders (Minute 028/20-21) and the amended Financial Regulations (Minute 029/20-21) were formally approved at the May 2020 meeting. Members confirmed that they considered these amended Standing Orders and Financial Regulations to be comprehensive and covered and safeguarded the management of the Council's finances and control information for the 2020/2021 financial year.

The requirements of our Financial Regulations are further enhanced with the internal control via Council's monthly receipt of its Statement of Income and Expenditure and the monthly reconciliation with the bank account. All accounts for cheque payment (if any) each month are authorised and only Members sign cheques (no Officers are involved in cheque signing for the Co-Operative account).

The financial schedules also show all the regular direct debits/standing orders currently set up, which are for utilities or other regular monthly payments.

All transactions are shown on the monthly control and reconciliation sheet.

Online transactions are monitored monthly by Members. The process for BACS payments is included in the Financial Regulations (section 5.5).

Following the opening of the Nationwide business savings account, which became operational on 23rd May 2017, the management and signatories for the Nationwide account continue to be vested to the Clerk, the Finance Officer and Councillor D. Ellis.

The Nationwide's account details continue to be presented to Council as part of the Council's regular monthly reconciliation at each monthly meeting.

Transactions can be made either over the telephone or by emailing a signed pdf document to the bank. The account is not currently set up to make any on-line transactions and does not offer cheque book facilities.

Funds are transferred from the Nationwide account to the Co-operative Bank account when necessary, to split the financial risk, keeping the amount in the Co-operative account to a maximum of around £85,000 (increased from £75,000 in January 2017). This is the amount the Town Council would be able to recover under the Financial Services Compensation Scheme (FSCS) if the Co-operative Bank was ever to have issues again (such as it experienced during 2013/2014).

The internal auditor confirmed, at the year-end audit (for 2014/2015) which took place on 19th June 2015, that they are satisfied with this level of control.

During the 2016/2017 financial year, the Co-Operative bank completed the removal of its telephone payments/transfer service in order to move customers to its online banking service; which the Town Council utilises.

The comprehensive security aspects of operating the system have previously been formalised by the Town Council and involve a transactions authoriser and an approver being needed for all transactions; no one person may carry out online bank transactions (see Financial Regulations, section 5.5).

This was further enhanced from the start of the 2018 financial year, following a recommendation from the internal auditor, as the Chair or a member of the Finance Sub-Committee undertakes a monthly check of a random sample of around five payments to suppliers and countersigns the record of payment document (see Minute 404/17-18 (a)).

Due to the Covid-19 pandemic, these checks are being made when practicable by the Chair, to ensure continued social distancing. The Chair, and all other Members, have full access to the invoicing books if required/requested.

Furthermore, a recommendation from the internal auditor's June 2018 end of year audit report suggested that when pay rates change, they are checked by the Chair of the Council to ensure the correct new rates have been applied. This was implemented with effect from April 2019.

- (b) In addition, clear procedure detail is given within the Financial Regulations for the Council, its Clerk and Finance Officer to process the following activities:
- (i) Annual estimates
 - (ii) Budgetary control
 - (iii) Accounting and audit
 - (iiii) Banking, cheque processing and direct debits/standing orders
 - (iv) Payment of account
 - (v) Payment of salaries
 - (vi) Dealing with income
 - (vii) Loans and investments
 - (ix) Orders for work, goods, services and any contract work and contract payment arrangements
 - (x) Managing stores and equipment
 - (xi) Properties, buildings, etc., and relevant insurance cover.
- (c) Members have considered the previous interim reports from the internal auditor (regarding the 2018/2019 accounts systems and procedures) and noted that all the recommendations have been implemented

Members received the updated 2019/2020 advisory comments made by the auditor for interim audits and final audit.

The two recommendations made during the interim audit (undertaken on 23rd January 2020) have been implemented.

The Town Council received a clean year-end internal report. The only ‘issue’ raised was that the Annual Risk Assessment document was not formally approved in the 2019/2020 financial year, due to the sudden Covid-19 pandemic lockdown, causing the March 2020 and April 2020 meetings to be cancelled. (See Minutes 074/20-21 & 084/20-21 above).

- (d) The BAFO reminded Members that the Town Council received a clean report for the 2018/2019 External Audit.

The external auditor made one comment, which was disputed by the Town Council:
“Other matters not affecting our opinion which we draw to the attention of the authority: The smaller authority has not provided evidence of consideration of risk management arrangements by the whole authority during 2018/19. This was requested as part of our intermediate review procedures. We have seen minutes showing risk management arrangements were considered by the Finance, Audit and Personnel Committee.”

The detail of the Town Council’s ‘dispute’ were noted in Minute 172/19-20 (a):

“The Clerk reminded Members that whole Council did consider and approve the risk management arrangements – see Minute 104/19-20 Annual Financial Risk Assessment Review; specifically 104/19-20 (h) (i) to (iv) :

“(h) After discussion and deliberation Members **resolved** that the Council:

- (i) *is satisfied and content with the current level of financial controls and information reporting procedures presently in existence*
- (ii) *is content with the internal audit and risk assessment processes undertaken by the Clerk, BAFO/RFO and internal auditor*

- (iii) will again, in future years, review all the control processes as part of the year end financial procedures
- (iv) be involved in the selection and output reporting for the Council's audit and risk assessment activities"

and

105/19-20 (c) point 5 - (this minute number was emailed to PKF Littlejohn as soon as the minutes had been completed) which states:

- **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. YES**

This and all the other points within the Annual Governance Statement were approved by full Council (in minute 105/19-20):

*'After consideration of the of the Section 1 Annual Governance Statement for the Annual Accounts for 2017/2018 Councillor Evans **proposed** and Councillor D. Ellis **seconded** that to the best of the Town Council's knowledge and belief, with respect to the declarations for the year ended 31st March 2019 that these be accepted as accurate and that the Annual Governance Statement be approved.'* "

- (e) For 2019/2020 we remained with our insurance provider (Zurich) with the level of £1 million pounds of fidelity insurance. We will remain with Zurich for 2020/2021.
- (f) The BAFO reminded Members that at the May 2020 meeting (Minute 030/20-21), they had **resolved** to approve the Annual Risk Assessment Review (Financial and Operational Processes) for the 2019/2020 financial year, in the format previously adopted in 2017.

This is presented in 'Appendix C' - see May Part I Finance Minutes on pages 30 to 39 (changes highlighted in yellow).

The 'Annual Review of Internal Controls - Summary of Health and Safety Risk Assessment and Management/Budgetary Control Issues Considered and/or Dealt with During the 2019/2020 Financial Year'; referred to as 'Appendix A', can be found (on pages 7 to 10) of 'Appendix C' to the May minutes (see pages 36 to 39).

- (g) Members were also referred to 'Appendix C' (pages 1-6 of the appendix); which is a list of all the health/safety and risk assessment issues dealt with by Council in 2019/2020 (see pages 30 to 55 of the May Part I Finance Minutes).
- (h) After discussion and deliberation Members **unanimously resolved** that the Council:
 - (i) is satisfied and content with the current level of financial controls and information reporting procedures presently in existence
 - (ii) is content with the internal audit and risk assessment processes undertaken by the Clerk, BAFO/RFO, Deputy Clerk and internal auditor
 - (iii) will again, in future years, review all the control processes as part of the year-end financial procedures
 - (iv) be involved in the selection and output reporting for the Council's audit and risk assessment activities

- (v) after consideration of the internal audit report for 2019/20 that Members confirm the reappointment of the internal auditor to undertake the 2020/2021 audit function.
- (i) The Clerk/BAFO reported that the ‘public notice’ to be displayed regarding electors’ rights to review the accounts for 2019/2020 was published on 23rd June 2020 for a period from 24th June 2020 up to 4th August 2020.

086/20-21 **APPROVAL OF THE ANNUAL ACCOUNTS AND ANNUAL GOVERNANCE AND ACCOUNTABILITY RETURN (AGAR) 2019/2020 – PART 3**

- (a) The BAFO reminded Members that Town and Parish Councils are now required to prepare and submit their Annual Governance and Accountability Returns (AGAR) based primarily on the gross income and expenditure of a Council for a particular financial year.

Birchwood Town Council falls into the group of Councils which must complete Part 3.

- (b) After full consideration of the 2019/2020 accounts schedules produced by the Responsible Finance Officer, in the Income and Expenditure format and with the extensive supporting schedules; all produced in accordance with Accounts and Audit Regulations 2015 (the Regulations) as amended; Councillor D. Ellis **proposed**, Councillor Breslin **seconded** and Members **resolved**:
 - (i) That the annual accounts for 2019/2020 as prepared by the BAFO/RFO and the supporting documentation including working documents, bank account statements, Public Works Loan statement, Section 137 awards, the asset and equipment registers, and list of Health and Safety risk assessment actions and internal controls be accepted.
 - (ii) That these figures and statements become the source data for the completion of the Annual Governance Statement and the Accounting Statements for 2019/2020.
 - (c) The BAFO/RFO presented to Members the completed AGAR for 2019/2020 with its summary income/expenditure headings reflecting the 2019/2020 accounts data – for Council approval and signatures.

Members considered the Section 1 Annual Governance Statement for the Annual Accounts for 2019/2020 including the ‘Yes/No’ answers to Section 1 of the AGAR which read as follows:

- **1** We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements. **YES**
- **2** We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness. **YES**
- **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. **YES**

- **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. **YES**
- **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. **YES**
- **6** We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems. **YES**
- **7** We took appropriate action on all matters raised in reports from internal and external audit. **YES**
- **8** We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this smaller authority and, where appropriate have included them in the accounting statements. **YES**
- **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. **N/A**

After consideration of the of the Section 1 Annual Governance Statement for the Annual Accounts for 2019/2020 Councillor D. Ellis **proposed** and Councillor Evans **seconded** that to the best of the Town Council's knowledge and belief, with respect to the declarations for the year ended 31st March 2020 that these be accepted as accurate and that the Annual Governance Statement be approved.

Members **unanimously resolved** that the Annual Governance Statement 2019/2020 be approved.

- (d) After consideration of the of the Section 2 Accounting Statements for the Annual Accounts for 2019/2020 Councillor Fitzsimmons **proposed** and Councillor Evans **seconded** that to the best of the Town Council's knowledge and belief, with respect to the accounting statements for the year ended 31st March 2020 that these be accepted as accurate and that the Town Council's Accounting Statements 2019/2020 be approved.

Members **unanimously resolved** that the Section 2 Accounting Statements for the Annual Accounts for 2019/2020 be **approved**.

- (e) Councillor Atkin **proposed** and Councillor J. Ellis **seconded** that Members of the Town Council formally approve the adoption of the 2019/2020 AGAR.

Members **unanimously resolved** that the AGAR for 2019/2020 be **approved**.

The relevant sections of the AGAR referred to above are attached (see pages 70-72 below).

Action Clerk's office to compile the necessary documents to send to the external auditor.

The meeting concluded at 7.15 pm

Payment of Accounts:						
Resolved: that the following payments be approved as the residual March 2020 and part April 2020 accounts						
Date	Ref	Payee	Description	Net	VAT	Gross
27.03.2020	DD	Telesis	Phone/enhanced internet speed charges	£ 57.46	£ 11.49	£ 68.95
30.03.2020	*	CMUK Visual Safety Ltd	First aid supplies/disposable gloves	£ 40.50	£ 8.10	£ 48.60
30.03.2020	*	Cheshire Pension Fund	Contributions (E'ee £758.12 E'er £2,621.13)	£ 3,379.25		£ 3,379.25
30.03.2020	*	Office Depot	Stationery (previously out of stock items)	£ 2.28	£ 0.46	£ 2.74
30.03.2020	*	HMRC	Tax (£1,358.40) and NI (£2,132.85)	£ 3,491.25		£ 3,491.25
31.03.2020	DD	CopyriteSystems	Photocopying charges	£ 77.92	£ 15.58	£ 93.50
31.03.2020	*	James Todd & Co. Ltd	3 monthly payroll service charges	£ 198.00	£ 39.60	£ 237.60
01.04.2020	DD	Waterplus	Water and wastewater services (4083868280)	£ 14.88		£ 14.88
01.04.2020	DD	O2	Ref a/c 04760571 mobile phones	£ 44.51	£ 8.90	£ 53.41
01.04.2020	*	Warrington Borough Council	Third of four (annual) payments for Locking Stumps by-e	£ 1,322.34		£ 1,322.34
01.04.2020	DD	Allstar	Fuel (office vans, mowers and equipment)	£ 26.90	£ 5.38	£ 32.28
01.04.2020	*	Zurich Municipal	Annual insurance (inc. £ 615.93 IPT)	£ 5,748.59		£ 5,748.59
06.04.2020	DD	Legal and General	Ill health insurance	£ 170.02		£ 170.02
07.04.2020	*	C Caddock reimb. 3 x items:	(UK Meds) - FFP2/N95 face mask - PPE	£ 32.98		£ 32.98
		(total £95.32)	(Amazon) - 3 x Sundstrom SR5 10 P3 face mask filters	£ 19.56	£ 3.90	£ 23.46
			(The Safety Supply Company) - 3 pairs 3M P3 face mas	£ 32.40	£ 6.48	£ 38.88
07.04.2020	*	Blackett-Ord Conservation Engineering	Conservation engineering services - damp survey	£ 975.00	£ 195.00	£ 1,170.00
07.04.2020	*	April wages:	10 staff	£ 12,578.79		£12,578.79
15.04.2020	DD	Waterplus	Water/wastewater services (4083867607)	£ 51.01		£ 51.01
15.04.2020	DD	Financial Direct Fees	FD online charges	£ 41.80		£ 41.80
16.04.2020	DD	Yellowbus Solutions	IT support, backups, internet services (3 x inv.)	£ 113.60	£ 22.72	£ 136.32
16.04.2020	DD	Npower	Gas Parkers Farm	£ 486.64	£ 24.33	£ 510.97
21.04.2020	DD	E-on	Electricity - Locking Stumps multi-use games area	£ 9.80	£ 0.49	£ 10.29
23.04.2020	*	Reimburse CC re: UK Meds	50 x surgical face masks (with discount off gross price)	£ 38.40	£ 7.08	£ 45.48
23.04.2020	*	Reimburse CC re: Microsoft	2 x Microsoft Lifechat LX-3000 headsets	£ 49.98	£ 10.00	£ 59.98

Payments of Account since 23rd April 2020

Date	Ref	Payee	Description	Net	VAT	Gross
28.04.2020	DD	Telesis	Phone/enhanced internet speed charges	£ 57.79	£ 11.56	£ 69.35
29.04.2020	DD	Allstar	Fuel (office vans, mowers and equipment)	£ 83.59	£ 16.72	£ 100.31
30.04.2020	DD	Copyrite Systems	Photocopier charges	£ 78.32	£ 15.66	£ 93.98
30.04.2020	*	Matco Direct	Mat maintenance (6 monthly)	£ 194.45	£ 38.89	£ 233.34
01.05.2020	DD	Waterplus	Water and wastewater services (4083868280)	£ 14.88		£ 14.88
01.05.2020	DD	O2	Ref a/c 04760571 mobile phones	£ 45.62	£ 9.12	£ 54.74
04.05.2020	DD	Legal and General	Ill health insurance	£ 170.02		£ 170.02
06.05.2020	DD	Allstar	Fuel (office vans, mowers and equipment)	£ 59.40	£ 11.88	£ 71.28
06.05.2020	*	C Caddock	Reimb. Re: UK Safety Store - 100 x Face masks	£ 93.00	£ 18.60	£ 111.60
06.05.2020	*	C Caddock	Reimb. Re: Amazon - 5 reams white copier paper	£ 17.49	£ 3.50	£ 20.99
06.05.2020	*	C Caddock	Reimb. Re: Premium Products 16 Ltd - Hammerite paint	£ 18.75	£ 3.75	£ 22.50
07.05.2020	*	May wages:	10 staff	£ 12,567.58		£ 12,567.58
11.05.2020	DD	BNP Paribas	Photocopier lease 10/05/2020 to 09/08/2020	£ 343.00	£ 68.60	£ 411.60
11.05.2020	*	Arco	2 x Arco reusable half mask respirator	£ 30.92	£ 6.18	£ 37.10
13.05.2020	DD	Waterplus	Water/wastewater services (4083867607)	£ 51.01		£ 51.01
13.05.2020	DD	Allstar	Fuel (office vans, mowers and equipment)	£ 77.08	£ 15.42	£ 92.50
15.05.2020	DD	Yellowbus Solutions	IT support, backups, internet services (3 x inv.)	£ 113.60	£ 22.72	£ 136.32
15.05.2020	DD	Financial Direct Fees	FD online charges	£ 39.20		£ 39.20
15.05.2020	*	HMRC	Re: April 2020 Tax £1,302.60 NI £1,973.37	£ 3,275.97		£ 3,275.97
15.05.2020	*	Cheshire Pension Fund	RE: April 2020 E'ee £758.35 E'er £2,724.03	£ 3,482.38		£ 3,482.38
18.05.2020	*	Wynchco Solutions	1 yr Joomla! Support, domain renewal & server hosting	£ 720.00		£ 720.00
20.05.2020	DD	Allstar	Fuel (office vans, mowers and equipment)	£ 58.04	£ 11.60	£ 69.64
20.05.2020	DD	E-on	Electricity - Locking Stumps multi-use games area	£ 8.86	£ 0.44	£ 9.30
20.05.2020	*	Mrs F McDonald	Reimburse re: 1 month Zoom licence for 1 machine	£ 11.99	£ 2.40	£ 14.39
20.05.2020	*	Mrs C Caddock	Reimburse re: UK Office Direct - 5 reams blue paper	£ 28.50	£ 5.69	£ 34.19
20.05.2020	*	Mrs C Caddock	Reimburse re: I Love Fancy Dress Ltd - plastic visors	£ 16.66	£ 3.33	£ 19.99
20.05.2020	*	Mrs C Caddock	Reimburse re: Amazon - worksafe earplugs (SJ)	£ 11.99		£ 11.99
20.05.2020	*	Mrs C Caddock	Reimburse re: CGS Stores Ltd - anti-bac wipes	£ 57.00	£ 11.40	£ 68.40
20.05.2020	*	Mrs C Caddock	Reimburse re: Archer Safety Signs - Covid distancing signs	£ 31.75	£ 6.35	£ 38.10
20.05.2020	*	Mrs C Caddock	Reimburse re: Asda - anti-bac wipes	£ 6.67	£ 1.33	£ 8.00

(continued on page 63)

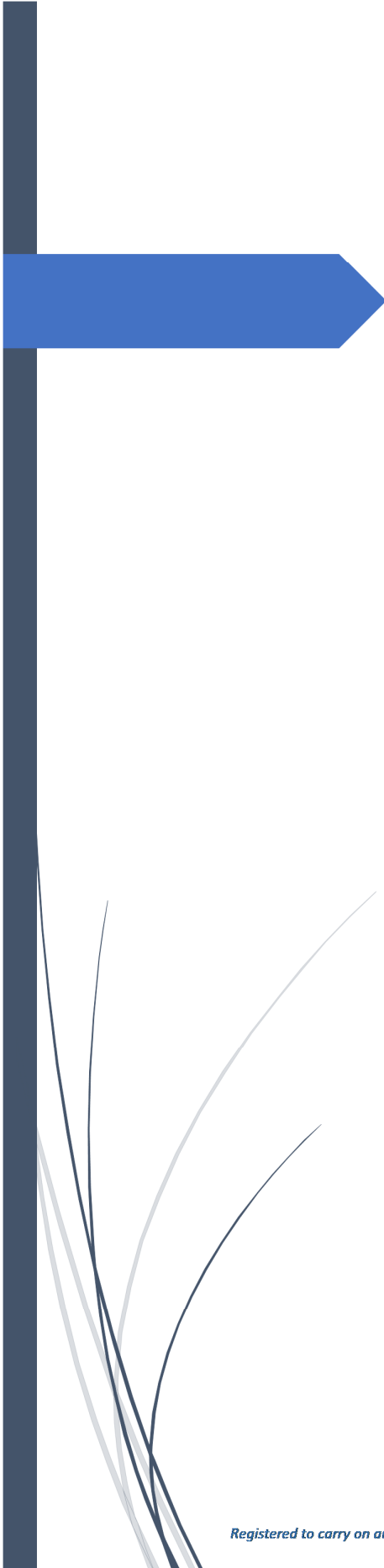
(continued from page 62)

Payments of Account since 23rd April 2020

Date	Ref	Payee	Description	Net	VAT	Gross
21.05.2020	*	Earth Anchors	Notice Board for Parkers Farm (inc fittings/magnets, etc.)	£ 609.00	£ 121.80	£ 730.80
26.05.2020	*	CMUK Visual Safety (Eureka)	Disposable gloves (20 boxes)	£ 173.00	£ 34.60	£ 207.60
26.05.2020	*	Cheshire Association of Local Councils	Annual membership renewal fee and subscription to LCR	£ 1,487.04		£ 1,487.04
27.05.2020	DD	Telesis	Phone/enhanced internet speed charges	£ 57.46	£ 11.49	£ 68.95
27.05.2020	DD	Allstar	Fuel (office vans, mowers and equipment)	£ 65.81	£ 13.15	£ 78.96
29.05.2020	DD	Copyrite Systems	Photocopier charges	£ 40.66	£ 8.13	£ 48.79
01.06.2020	DD	Waterplus	Water and wastewater services (4083868280)	£ 14.88		£ 14.88
01.06.2020	*	Uniqwin	Alarm activation callout 7/5/2020	£ 54.40	£ 10.88	£ 65.28
02.06.2020	DD	O2	Ref a/c 04760571 mobile phones	£ 45.62	£ 9.12	£ 54.74
03.06.2020	DD	Allstar	Fuel (office vans, mowers and equipment)	£ 113.08	£ 22.61	£ 135.69
04.06.2020	DD	Npower	Electricity - Parkers Farm	£ 153.36	£ 7.67	£ 161.03
04.06.2020	DD	Legal and General	Ill health insurance	£ 170.02		£ 170.02
08.06.2020	*	June wages:	10 staff (including backdated wage rise from April 1st for 7 staff)	£ 13,179.79		£ 13,179.79
10.06.2020	DD	Allstar	Fuel (office vans, mowers and equipment)	£ 104.91	£ 20.97	£ 125.88
11.06.2020	*	Mr Crowe	Reimb re: Autoglass d/s car window replacement	£ 270.95	£ 54.19	£ 325.14
11.06.2020	*	HMRC	Re: May 2020 Tax £1,300.40 NI £1,969.24	£ 3,269.64		£ 3,269.64
11.06.2020	*	Cheshire Pension Fund	RE: May 2020 E'ee £757.40 E'er £2,720.55	£ 3,477.95		£ 3,477.95
11.06.2020	*	Mrs C Caddock	Reimburse re: UK Office Direct - stationery	£ 40.37	£ 8.07	£ 48.44
11.06.2020	*	Mrs C Caddock	Reimburse re: Galaxy Wholesalers Ltd - hazard tape	£ 12.49	£ 2.50	£ 14.99
11.06.2020	*	Mrs C Caddock	Reimburse re: Amazon - doorbell	£ 12.99		£ 12.99
11.06.2020	*	Mrs C Caddock	Reimburse re: Kepes - vertical blind top hangers	£ 0.42	£ 2.07	£ 2.49
11.06.2020	*	Mrs C Caddock	Reimburse re: Guangzhoushimail . . . Magnetic 'pins'	£ 9.99	£ 2.00	£ 11.99
11.06.2020	*	Mrs C Caddock	Reimburse re: Argos - kettle for office	£ 19.99	£ 4.00	£ 23.99
11.06.2020	*	Mrs C Caddock	Reimburse re: Dynery Ltd - facemasks	£ 26.94	£ 5.40	£ 32.34
11.06.2020	*	Mrs C Caddock	Reimburse re: Primatel Products Ltd - hand sanitiser	£ 21.58	£ 4.32	£ 25.90
11.06.2020	*	Mrs F McDonald	Reimburse re: 1 month Zoom licence for 1 machine	£ 11.99	£ 2.40	£ 14.39
12.06.2020	*	E Smith & Son	Bedding plants for planters	£ 213.70	£ 42.74	£ 256.44

Payments for approval at the June 2020 meeting

Date	Ref	Payee	Description	Net	VAT	Gross
all tbc	DD	Legal and General	Ill health insurance	£ 170.02		£ 170.02
	DD	Telesis	Phone/enhanced internet speed charges			
	DD	Waterplus	Water and wastewater services (4083868280)	£ 14.88		£ 14.88
	DD	Waterplus	Water/wastewater services (4083867607)	£ 51.01		£ 51.01
	DD	Waterplus	Water/wastewater services (4032774195)	tbc		
	DD	Financial Direct Fees	FD online charges	£ 40.00		£ 40.00
	DD	Yellowbus Solutions	IT support, backups, internet services (3 x inv.)	£ 113.60	£ 22.72	£ 136.32
	DD	O2	Ref a/c 04760571 mobile phones	tbc		
	DD	E-on	Electricity - Locking Stumps multi-use games area	£ 8.91	£ 0.45	£ 9.36
	DD	Allstar	Fuel (office vans, mowers and equipment)	£ 19.12	£ 3.82	£ 22.94
	DD	CopyriteSystems	Photocopying charges	£ 78.32	£ 15.66	£ 93.98
	*	F McDonald	Petty Cash reimbursement	£ 100.00		£ 100.00
	*	Cheshire Pension Fund	Contributions (E'ee £7xxx E'er £2.xxx)	tbc		
	*	HMRC	Tax (£1,xxx) and NI (£1,xxx)	tbc		
	*	Earth Anchors	2 x noticeboards - G/C and L/S	£ 935.00	£ 187.00	£ 1,122.00
	*	CSE Electrical	PAT Testing & part payment for emergency lighting replacement	£ 348.40	£ 69.68	£ 418.08
	DD	Allstar	Fuel (office vans, mowers and equipment)	£ 59.40	£ 11.88	£ 71.28
	*	CSE Electrical	Final part payment for emergency lighting replacement	tbc		
	*	Regal Polythene	30 cases of bin sacks and 4 boxes paper hand towels	£ 371.04	£ 74.21	£ 445.25
	DD	Yellowbus Solutions	Laptop with Windows 10 pro & set-up/configuration/encryption	£ 740.00	£ 148.00	£ 888.00
	DD	Trade UK (B&Q account)	Paint/paintbrushes, etc. for planters, Gaffer tape, Miracle-Gro	£ 53.82	£ 10.78	£ 64.60
	DD	CopyriteSystems	Photocopying charges			
	DD	Allstar	Fuel (office vans, mowers and equipment)	£ 83.59	£ 16.72	£ 100.31
	*	Office Supplies	Stationery	£ 30.02	£ 6.00	£ 36.02
	*	JDH Business Services Ltd	Internal Audit Fee 2019/2020	£ 589.00	£ 117.80	£ 706.80



Internal Audit 2019/20

The internal audit of Birchwood Town Council was carried out by undertaking the following tests as specified in the AGAR Annual Return for Local Councils in England:

- Checking that books of account have been properly kept throughout the year
- Checking a sample of payments to ensure that the Council's financial regulations have been met, payments are supported by invoices, expenditure is approved, and VAT is correctly accounted for
- Reviewing the Council's risk assessment and ensuring that adequate arrangements are in place to manage all identified risks
- Verifying that the annual precept request is the result of a proper budgetary process; that budget progress has been regularly monitored and that the council's reserves are appropriate
- Checking income records to ensure that the correct price has been charged, income has been received, recorded and promptly banked and VAT is correctly accounted for
- Reviewing petty cash records to ensure payments are supported by receipts, expenditure is approved and VAT is correctly accounted for
- Checking that salaries to employees have been paid in accordance with Council approvals and that PAYE and NI requirements have been properly applied
- Checking the accuracy of the asset and investments registers
- Testing the accuracy and timeliness of periodic and year-end bank account reconciliation(s)
- Year end testing on the accuracy and completeness of the financial statements

The interim internal audit provides evidence to support the annual internal audit conclusion on the Annual Return for local councils.

Conclusion

On the basis of the internal audit work carried out, which was limited to the tests indicated above, in our view the council's system of internal controls is in place, adequate for the purpose intended and effective, subject to the recommendations reported in the action plan overleaf. As part of the internal audit work for the next financial year we will follow up all recommendations included in the action plan.

JDH Business Services Limited

	ISSUE	RECOMMENDATION	FOLLOW UP
1	<p>The risk assessment was reviewed and updated during the financial year. However, it was not approved by full council in the programmed March 2020 meeting as it had to be cancelled due to the global pandemic. The risk assessment was subsequently amended and approved at the May 2020 meeting.</p> <p><i>We will note on the AGAR annual return certificate that although the risk assessment was not approved by full council in 2019/20, that this was due to the global pandemic, the requirement to cancel physical meetings in March, and that the document was approved at the first available meeting in May 2020.</i></p>		
2019/20 interim internal audit			
1	<p>The Financial Regulations (FRs) refer to a Purchase Order (PO) system (which would also clearly evidence the authority to spend). However, no PO system is currently in place.</p>	<p><i>The council should establish a sequential Purchase Order system as required by the updated Financial Regulations (FRs) and ensure Purchase Orders are signed according to the Authority to Spend requirements of the FRs.</i></p>	
2	<p>NALC have issued updated model Financial Regulations that include amendments to sections including contracts.</p>	<p><i>The council should review the latest NALC Financial Regulations and incorporate revisions, where they are applicable, to the council Financial Regulations</i></p>	
2018/19 year end internal audit			

<p align="center">2018/19 year end internal audit</p>
<p>No issues arising – a clear audit trail from receipts and payments to extended trial balance and year end income and expenditure accounts was provided.</p>
<p>IMPORTANT GUIDANCE NOTE</p>
<p>INTERNAL AUDIT CERTIFICATE in the AGAR</p>
<p>There is a new internal control objective (Objective L) in the 2018/19 internal audit certificate that requires internal audit to conclude on whether the Public Rights Notice during the previous Summer was compliant with the Regulations. This is pre-filled for 2018/19 but in order to test this and conclude YES or NO for the 2019/20 internal audit we would need to receive with the 2019/20 books and records:</p>
<ul style="list-style-type: none"> - A copy of the completed 2018/19 Notice of Public Rights and Publication of the Unaudited Annual Governance and Accountability Review
<ul style="list-style-type: none"> - A dated photograph showing the first day of the Notice of Public Rights on the noticeboard and/or a dated computer screenshot showing the first date of the Notice of Public Rights on the website for 2018/19
<p>Our approach to this new requirement will be to conclude NO if we have not received the above evidence and explain on the AGAR that we received insufficient evidence to be able to conclude YES; we would also conclude NO if the dates advertised were not compliant with the Regulations.</p>
<p>This will be a new ongoing requirement for internal audit, as well as verifying whether certain smaller councils meet the exemption criteria from an external audit. Therefore, for the 2019/20 internal audits there will be additional time charged at a fixed fee of £9 + VAT per local council to complete the new requirements.</p>
<p>2018/19 interim audit</p>

1	There was no confirmation of receipt for the £1200 payment to Birchwood Youth Association on 29/06/2018.	<i>Confirmation of receipt should be secured for all significant grants and donations</i>	Implemented
2	The payroll will be reviewed by the Chair every April to confirm pay rises are accurately processed. Review of the payroll to date in 2018/19 also identified the September payroll had been reviewed and signed by the Chair	<i>Payroll is the most significant expenditure of the council and therefore the controls over the review of payroll should be formalised in the council internal controls, with payroll being reviewed and signed by the Chair at least quarterly.</i>	Implemented
2017/18 year end audit			
1	Fixed Assets Fixed assets in the draft accounts had been understated by £3000 which is the cost of the car park land. The supporting fixed assets schedules did not contain the cost information to enable the fixed assets total for the Vehicles/Tractors and the Plant/Equipment.	<i>The land asset should be included in the 2016/17 and 2017/18 fixed assets. The word 'restated' would need to be written above the 2016/17 figures in the annual return. The supporting fixed asset schedules need to include purchase cost with a total that agrees to the amounts included in fixed assets for each asset category.</i>	Implemented
	The regular checks of payments by the Chair do not cover the monthly payroll.	<i>The regular checks of payments by the Chair should cover a sample of monthly</i>	See 2018/19 issues

(Continuation of text from bottom box above . . .)

	<p>The regular checks of payments by the Chair do not cover the monthly payroll.</p>	<p><i>The regular checks of payments by the Chair should cover a sample of monthly payroll payments to verify that the correct pay rates have been applied</i></p>	<p>See 2018/19 issues</p>
<p>2017/18 interim audit</p>			
<p>1</p>	<p>Council Tax Support Allowance may be removed by WBC from 2019/20. The financial impact on the council has been calculated as £52196.WBC Full Council will decide in February 2018.</p>	<p>2</p>	<p>Implemented</p>

Annual Internal Audit Report 2019/20

BIRCHWOOD TOWN COUNCIL

This authority's internal auditor, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls to be in operation **during** the financial year ended 31 March 2020.

The internal audit for 2019/20 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

① The risk assessment was reviewed and updated in 2019/20. However, it was not approved by full council in March 2020 with meeting had to be cancelled due to the pandemic. The risk assessment was therefore approved at the May 2020 meeting.

Internal control objective	Agreed? Please choose one of the following		
	Yes	No*	Npt covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓	subject to ① above	
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic and year-end bank account reconciliations were properly carried out.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. IF the authority certified itself as exempt from a limited assurance review in 2018/19, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2018/19 AGAR tick "not covered")			✓
L. The authority has demonstrated that during summer 2019 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.	✓		

M. (For local councils only)	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

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

Date(s) internal audit undertaken: 29/01/2020 and 12/06/2020 Name of person who carried out the internal audit: JDM BUSINESS SERVICES LTD

Signature of person who carried out the internal audit: [Redacted] Date: 17/6/2020

*If the response is 'no' you must include a note to state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).
 **Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

Section 1 – Annual Governance Statement 2019/20

We acknowledge as the members of:

BIRCHWOOD TOWN COUNCIL

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 2020, 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.	YES		prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	YES		made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	YES		has only done what it has the legal power to do and has complied with Proper Practices in doing so.
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	YES		during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	YES		considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	YES		arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.
7. We took appropriate action on all matters raised in reports from internal and external audit.	YES		responded to matters brought to its attention by internal and external audit.
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	YES		disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A
			has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.

*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:

23/6/2020

and recorded as minute reference:

086/20-21 (c)

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

Chairman

Clerk

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

clerk@birchwoodtowncouncil.org.uk

Section 2 – Accounting Statements 2019/20 for

BIRCHWOOD TOWN COUNCIL

	Year ending		Notes and guidance
	31 March 2019 £	31 March 2020 £	
1. Balances brought forward	295572	337658	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	330000	327477	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	51120	6286	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	244040	242653	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
5. (-) Loan interest/capital repayments	23030	22270	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	71964	59634	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	337658	346863	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	336821	346500	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	544827	548297	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	136000	120000	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets. N.B. The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2020 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

Date

23/06/2020

I confirm that these Accounting Statements were approved by this authority on this date:

23/6/2020

as recorded in minute reference:

086/20-21(d) + (e)

Signed by Chairman of the meeting where the Accounting Statements were approved