



Sawbridgeworth Town Council

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MAYOR
Cllr Angela Alder
TOWN CLERK
Richard Bowran BSc.(Hons) PSLCC

To: Cllrs Alder, Beeching, E Buckmaster, R Buckmaster, Furnace and Royle

FINANCE AND POLICY COMMITTEE

You are invited to a meeting of this committee of the Council which will take place on **Monday 11 June 2018** following the meeting of the Planning Committee, at around 8.00pm, at Sayesbury Manor, Bell Street, Sawbridgeworth for the transaction of the following business.

Town Clerk
05 June 2018

Agenda

- F 18/01 ELECTION OF CHAIRMAN**
[👏] To elect a Chairman of the Committee for the year 2018/19.
- F 18/02 ELECTION OF VICE CHAIRMAN**
[👏] To elect a Vice Chairman of the Committee for the year 2018/19.
- F 18/03 APOLOGIES FOR ABSENCE**
To receive any apologies for absence
- F 18/04 DECLARATIONS OF INTEREST**
To receive any Declarations of Interest by Members
- F 18/05 MINUTES**
[📄] [👏] To approve as a correct record the minutes of the Finance and Policy Committee held on 16 April 2018 (F04) *Attached as Appendix A*
To attend to any matters arising from these Minutes and not dealt with elsewhere on this Agenda.
- F 18/06 TERMS OF REFERENCE**
[📄] [👏] To consider Terms of Reference for the committee and recommend their adoption by the council.
Current Terms of Reference are attached as Appendix B
- F 18/07 STAFF MATTERS**
To consider any matters relating to members of staff.

F 18/08 FINANCE MATTERS

To consider any matters relating to the finances and year end arrangements of the Council

- To advise members of the visit of the Internal Auditor on 24 May 2018 and to present the Audit Letter.
Attached as Appendix C
- To advise members of the Annual Return for 2017/18 and to make a recommendation for adoption by full council.
Attached as Appendix D

[👉]

F 18/09 POLICY MATTERS

To consider any matters relating to policies for the future development of Town Council services to the community.

F 18/10 COMMUNICATION MATTERS

To consider any matters relating to council communications including the establishment of a "Communications Workshop"

F 18/11 ITEMS FOR FUTURE AGENDAS

To consider any items for inclusion on future agendas.

Members of the public and press are cordially invited to attend all meetings of the council and its committees.

SAWBRIDGEWORTH TOWN COUNCIL

FINANCE AND POLICY COMMITTEE

Minutes

of the meeting of the Finance and Policy Committee held at the Council Offices, Sayesbury Manor, Bell Street, Sawbridgeworth at 8.00 pm on **Monday 16 April 2018**.

Those present

Cllr Angela Alder
Cllr Annelise Furnace

Cllr Eric Buckmaster
Cllr Ruth Buckmaster
Cllr David Royle

In attendance:
R Bowran – Town Clerk

F 17/28 APOLOGIES FOR ABSENCE

Apologies received from Cllr Beeching – abroad on business

F 17/29 DECLARATIONS OF INTEREST

To receive any Declarations of Interest by Members.
There were none.

F 17/30 MINUTES

To approve as a correct record the minutes of the Finance and Policy Committee held on 15 January 2018 (F03)
[prop Cllr Alder; secd Cllr R Buckmaster]

To attend to any matters arising from these Minutes and not dealt with elsewhere on this Agenda. There were none.

F 17/31 STAFF MATTERS

To consider any matters relating to members of staff.

17/31.1 Town Clerk

Noted: That the Town Clerk is currently on sick leave and is likely to return to work in a phased manner over the next three months. He stated that he is having a review meeting with the Appointments and Appraisals sub-committee on 19 April.

F 17/32 FINANCE MATTERS

To consider any matters relating to the finances of the Council

17/32.1 Management Accounts

Resolved: To approve, after consideration, the Management accounts for the twelve month period to 31 March 2018. The Clerk described some adjustments to that would clarify the reserves of the council.
[prop Cllr Alder; secd Cllr Furnace]

17/32.2 Local Government Pension Scheme

Clerk reported having received a communication for the administrators of LGPS claiming a payment to compensate them for strain costs in the sum of £73,000 relating principally to the ill-health retirement of an officer in 2016. Having challenged this the Actuary to the fund had retracted the demand and only a lesser sum of £4,000 remained relating to staff costs in excess of the pension fund assumption.

Members wished it be recorded that they were very dissatisfied with the manner with which the finance team at Hertfordshire CC had communicated and managed this issue.

Resolved: That this amount should be remitted.
[prop Cllr Alder; secd Cllr R Buckmaster]

F 17/33

POLICY MATTERS

To consider any matters relating to Policy for the future development of Town Council services to the community.

17/33.1 General Data Protection Regulations (GDPR)

A draft policy was considered by members and a minor amendment made. Clerk was asked to confirm that he would be conducting training for members and staff.

Resolved: To recommend that the draft policy for Responsibilities and Guidance in order for the council to comply with the provisions of General Data Protection Regulations be adopted by council.
[prop Cllr R Buckmaster; secd Cllr Royle]

17/33.2 Footpath Quotations

Quotations received for the re-instatement of the Right of Way from Elmwood to the river were considered and members agreed that the preferred option should be presented to council for approval.

Quotations received for the repair and resurfacing of the footpath adjacent to the Parish Hall were considered and members agreed that the preferred option should be presented to council for approval.

In each case there should be the caveats that funding will be forthcoming from Herts County Council and there is no on-going commitment to maintaining the footpaths.

17/33.3 Cemetery Roadway Quotation

The first quotation received for the extension to the roadways at the Three Mile Pond Cemetery was in excess of £10,000. The Clerk will therefore seek two further quotations for the work as required by Financial Regulations.

F 17/34

ECONOMIC DEVELOPMENT

To consider a brief for the creation of a business plan encompassing the need to develop areas of the town to encourage an increase in vibrancy of the local economy.

17/34.1 Market Proposals

Clerk reported on the response by neighbours around Fair Green in response to the town council's consultation. Of the eight residents consulted; five have responded. Two were concerned but made some constructive comments; one by employing a solicitor to contest the proposal; one was very much in favour of the idea and one was very much opposed to the idea.

Other locations were discussed and it was agreed that a wider consultation should take place and a survey of parishioners and retailers made.

17/34.2 New Homes Bonus Review

Clerk reported that East Herts District Council have asked for a report on how the town council has used New Homes Bonus grant monies since its inception in 2011. Action by the Clerk by 30 April.

F 17/35

COMMUNICATION MATTERS

To consider any matters, including a policy, relating to council communications.

It was suggested that a "Communications Needs" workshop session be established to establish the manner in which members and officers should communicate with parishioners and partners.

The question was raised whether there was a training budget and consequently a training plan for members and officers. It was established that training should be co-ordinated and arranged by the Clerk.

Two members asked if they could attend a Community Engagement training morning organised by HAPTC. This was agreed.

F 17/36

ITEMS FOR FUTURE AGENDAS

To consider any items for inclusion on future agendas.
There were none.

Meeting Closed at 21:10

**SAWBRIDGEWORTH TOWN COUNCIL
FINANCE AND POLICY COMMITTEE
TERMS OF REFERENCE**

1 Objectives

- a. To manage, promote and achieve the efficient conduct of the finance and administrative affairs of the Town Council.
- b. To make representations to any organisation relating to the efficient conduct of the finance and administrative affairs of the Town Council where in the view of the Committee these matters are deteriorating or need to be improved.
- c. Within the limits of the Council's powers and responsibilities and its approved budget to authorise actions to fulfill the above objectives.

2 Standing Orders

The Committee shall take note of and abide by the Standing Orders of the Council.

3 Budget

- a. The Committee shall submit its budget by participation in the budget setting meetings which occur annually during the months of October and November.
- b. The Committee will receive, scrutinise and approve the income and expenditure records of the Council on a quarterly basis
- c. The Committee shall be authorised to make payments on items within the budget agreed by the full Council up to the spending limit set and report this action to the next meeting of the Council, and the reason for that expenditure to be minuted.

4 Areas of Responsibility

- a. To establish the accommodation, and to maintain the accommodation of the administration function of the Town Council.
- b. To specify, and provide the facilities required to support the town council and its committees, working parties and its administration support to conduct its business in a timely and effective manner.
- c. To support the town clerk and other support staff in their normal duties and for any unforeseen duties.
- d. To be responsible for setting and maintaining, and monitoring the job descriptions of the town clerk and other support staff.

- e. To manage all (external and internal) complaints, grievances and conduct issues relating to the town clerk and support staff
- f. To document and maintain the staff manual incorporating all processes and procedures relating to staff and councillors
- g. To be responsible for the employment provisions including annual salary reviews and terms and conditions of employment of the town clerk and support staff
- h. To manage all health and safety issues for both staff and councillors.
- i. To manage all risk assessments as required.
- j. To ensure adequate administrative support to the town council and the committees, working parties, and any other support group initiatives or necessary contingencies.
- k. To establish and maintain links external to the town council, other town councils, Town Partnership, other trade and industry groups within the town and industry itself.
- l. To establish long term strategy for the town council, and its accommodation and administration.
- m. To establish a Training Plan for Members

5 Membership

The Committee shall consist of six (6) members, duly elected at the Annual Meeting, plus *ex-officio* the mayor and deputy mayor of the Council. The quorum of a meeting shall be three (3) members. The Committee Chairman and Vice-chairman are elected at the first Committee meeting after each Annual Meeting.

Sawbridgeworth Town Council
Internal Audit Report for the Year Ended
31st March 2018

Prepared by Chris Clark of HGC Accountants

Key Internal Control	Tests Performed	Matters Arising and Findings
<p><u>Proper Bookkeeping</u></p> <ul style="list-style-type: none"> - Has the council maintained an up to date cash book <ul style="list-style-type: none"> - Has the council appointed a responsible finance officer (RFO) - Has the council documented purchasing procedures and followed these procedures? - Are payments made documented in the cashbook supported with relevant invoices, authorisation and been minuted to the committee? - Has VAT on payments been correctly identified, recorded and reclaimed - Is S137 expenditure separately recorded and within statutory limits 	<ul style="list-style-type: none"> - Review the cash book to confirm that this is up to date - Enquire who is the RFO - Review the council's policy for purchasing and perform a sample of purchases. - Review a sample of cashbook payments to ensure all documents available. <p>Review of sample of cashbook payments and VAT submissions made</p>	<ul style="list-style-type: none"> - Council is maintaining an up to date cash book. - RFO has been appointed. - Appropriate quotes have been obtained for all purchases over £3,000 - Payments have been recorded and appropriate evidence obtained. - VAT on bank payments being claimed correctly, however no VAT is being reclaimed on Petty Cash Expenditure. - N/A – Using General Powers of Competence

<p><u>Financial Regulations, Standing Orders and Payment Controls</u></p> <ul style="list-style-type: none"> - Has the council formally adopted standing orders and financial controls. Are standing orders and financial controls kept up to date. 	<ul style="list-style-type: none"> - Review the most current standing orders and financial controls 	<ul style="list-style-type: none"> - Standing orders and Financial Regulations last updated September 2017 following last audit.
<p><u>Risk Management</u></p> <ul style="list-style-type: none"> - Does a review of the minutes identify any usual risks or financial activity - Is insurance held by the council adequate - Is there evidence of an annual risk assessment being performed? 	<ul style="list-style-type: none"> - Review the minutes for the year - Review insurance policies to ensure cover is adequate - Review copy of risk assessment and review 	<ul style="list-style-type: none"> - Nothing unusual has been identified. - Insurance is adequate for the council requirements - Risk assessment is being undertaken correctly.
<p><u>Budgetary Controls</u></p> <ul style="list-style-type: none"> - Has the council prepared an annual budget in support of it's precept which has been adopted by the council 	<ul style="list-style-type: none"> - Review the budget prepared and confirm this has been presented to council for adoption. 	<ul style="list-style-type: none"> - A budget has been prepared and presented to committee for approval

<ul style="list-style-type: none"> - Is the Budget v Actual regularly reviewed and any major variances reviewed and reported 	<ul style="list-style-type: none"> - Review records of Budget v Actuals and confirm any notes and comments made 	<ul style="list-style-type: none"> - Budget v Actual is presented together with Income and Expenditure as one report to the finance committee which is then approved. Wording on minutes could be improved to suggest that Budget v Actual review has taken place and variances reviewed. Evidence seen to confirm that a budget v actual has been reviewed for variances. De-minimus of 15% has been set. No variances more than 15% during the year.
<p><u>Income Controls</u></p> <ul style="list-style-type: none"> - Has all income been correctly recorded and promptly banked - Does the precept received agree with the annual budget and Council Tax authority's notification? - Is security over the receipt of cash adequate 	<ul style="list-style-type: none"> - Trace sales invoices through to banking's - Review precept request and confirm amounts received. - Review procedure for banking any cash receipts 	<ul style="list-style-type: none"> - Yes - Yes - Yes

<p><u>Petty Cash Procedures</u></p> <ul style="list-style-type: none"> - Is all petty cash expenditure recorded and supported by VAT Receipts - Is petty cash expenditure appropriately approved? - Is petty cash reimbursement carried out regularly? - Is the petty cash float level appropriate? 	<ul style="list-style-type: none"> - Review a sample of cash receipts. - Review approval of a sample of petty cash records. - Review for evidence of cash being paid out. - Review float balance inline with documented float balance. Confirm float count? 	<ul style="list-style-type: none"> - Petty cash expenditure has been recorded correctly. VAT has not been claimed on Petty cash expenses. . - Only items with a petty cash request note are approved individually. All other items approved via approval of the final petty cash total sheet. - Petty cash vouchers are signed by the recipients of the cash. - Current float is £500 in line with updated Standing orders is acceptable. <p>Float count at the year end has not been documented.</p>
<p><u>Payroll Controls</u></p> <ul style="list-style-type: none"> - Do all employees have contracts of employment and are provided with the relevant policy documents. 	<ul style="list-style-type: none"> - Review copies of contracts provided and confirm they have been signed. 	<ul style="list-style-type: none"> - Yes – staff are also provided with a comprehensive staff handbook. Last updated 17 November 2017

<ul style="list-style-type: none"> - Do salaries agree with those set by the council? Review approval of wages from Appraisals Committee - Are PAYE, NI and Pension deductions correctly calculated? 	<ul style="list-style-type: none"> - Review minutes of the appraisal committee and confirm agreed wages are in line with payments made. - Test a sample of calculations to ensure they have been performed correctly. 	<ul style="list-style-type: none"> - Wages are paid inline with approved rates. - External provider used to perform wages calculations using Money Soft Payroll Manager.
<p><u>Fixed Assets Control</u></p> <ul style="list-style-type: none"> - Does the council maintain a fixed asset register and document owned assets and assets in it's care? - Is the fixed asset register up to date? - Are assets values reported correct 	<ul style="list-style-type: none"> - Request a copy of the fixed asset register - Confirm when the last review of the register was performed. - Confirm the basis for valuation of assets. 	<ul style="list-style-type: none"> - Copy of fixed asset register obtained. - Asset register was reviewed and updated at the end of the financial year and assets disposed off where removed from the register. - Assets are valued at cost.
<p><u>Bank Reconciliation</u></p> <ul style="list-style-type: none"> - Does the council carry out a bank reconciliation for all accounts and deposits? 	<ul style="list-style-type: none"> - Review bank reconciliation to ensure that this has been completed for all accounts. 	<ul style="list-style-type: none"> - Reconciliations have been prepared for all accounts

<ul style="list-style-type: none"> - Is the bank reconciliation performed regularly and in a timely fashion - Has the bank reconciliation been calculated correctly? 	<ul style="list-style-type: none"> - Review bank reconciliations to confirm this has been completed regularly - Review the calculation and reconciliation, including confirming that all cheques have been cleared post date 	<ul style="list-style-type: none"> - Reconciliations are prepared on a timely basis. - Reconciliations have been performed correctly.
<p><u>Year End Procedures</u></p>		
<ul style="list-style-type: none"> - Are the year end accounts prepared on the correct accounting basis? - Do the accounts agree to the cashbook? 	<ul style="list-style-type: none"> - Review trade debtors to ensure that they have been reported correctly. - Review trade creditors to ensure that they have been reported correctly - Review accruals to ensure they have been reported correctly. - Review the Annual Statement and cash book to ensure accounts agree 	<ul style="list-style-type: none"> - Trade debtors have been reported correctly. - Trade creditors over the de minimus have been reported correctly within the accounts. Amount included for Barclaycard is incorrect by £42. - EON Accrual of £413 missing from the accounts. - Accounts agree to the cashbook.

<p><u>Other tests</u></p>	<ul style="list-style-type: none"> - Are the reserves of the council adequate? 	<ul style="list-style-type: none"> - Review the levels of reserves inline with requirements. 	<ul style="list-style-type: none"> - Reserves are within the generally accepted guidelines of 3 – 12 months of expenditure.
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Audit Recommendations & Matters Arising

1. VAT has not been reclaimed on all Petty Cash expenditure. VAT should be reclaimed on all expenditure where appropriate VAT receipts and invoices have been received.
2. Payments/invoices received from EON for electricity provided throughout the period have not been accrued for.
3. Barclaycard creditor included in the accounts is incorrect by £42.

Local Councils, Internal Drainage Boards and other Smaller Authorities in England Annual Governance and Accountability Return 2017/18 Part 3

To be completed by:

- all smaller authorities* where either the higher of gross income or gross expenditure exceeded £25,000 but did not exceed £6.5 million; and
- any other smaller authorities that either:
 - are unable to certify themselves as exempt; or
 - have requested a limited assurance review.

Guidance notes on completing Part 3 of the Annual Governance and Accountability Return 2017/18

1. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 **must** complete Part 3 of the Annual Governance and Accountability Return at the end of each financial year in accordance with Proper Practices.
2. The Annual Governance and Accountability Return is made up of three parts, pages 3 to 6:
 - The annual internal audit report is completed by the authority's internal auditor.
 - Sections 1 and 2 are to be completed and approved by the authority.
 - Section 3 is completed by the external auditor and will be returned to the authority.
3. The authority **must** approve Section 1, Annual Governance Statement, before approving Section 2, Accounting Statements, and both **must** be approved **before 2 July 2018**.
4. An authority with either gross income or gross expenditure exceeding £25,000 or an authority with neither income nor expenditure exceeding £25,000, but which is unable to certify itself as exempt, or requesting a limited assurance review, **must** send to the external auditor:
 - the Annual Governance and Accountability Return Sections 1, 2 and 3, together with
 - a bank reconciliation as at 31 March 2018
 - an explanation of any significant year on year variances in the accounting statements
 - your notification of the commencement date of the period for the exercise of public rights
 - Annual Internal Audit Report 2017/18

Unless requested, do not send any original records to your external auditor. Your external auditor will ask for any additional documents needed.

Once the external auditor has completed and is able to give an opinion on the limited assurance review, the Annual Governance and Accountability Return including **Section 3 – External Auditor Report and Certificate** will be returned to the authority.

Publication Requirements

Smaller authorities with either income or expenditure exceeding £25,000 **must** publish on a public website, under the Accounts and Audit Regulations 2015, the Annual Governance and Accountability Return:

- **Section 1 – Annual Governance Statement 2017/18**, page 4
- **Section 2 – Accounting Statements 2017/18**, page 5
- **Section 3 – The External Auditor Report and Certificate 2017/18**, page 6
- Notice of the period for the exercise of public rights and other information required by Regulation 15 (2), Accounts and Audit Regulations 2015.

It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.

The Annual Governance and Accountability Return constitutes the annual return referred to in the Accounts and Audit Regulations 2015. Throughout, the words 'external auditor' have the same meaning as the words 'local auditor' in the Accounts and Audit Regulations 2015.

**for a complete list of bodies that may be smaller authorities refer to schedule 2 to Local Audit and Accountability Act 2014.*

Guidance notes on completing Part 3 of the Annual Governance and Accountability Return 2017/18

- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this Annual Governance and Accountability Return. *Proper Practices* are found in the *Practitioners' Guide** which is updated from time to time and contains everything needed to prepare successfully for the financial year-end and the subsequent work by the external auditor.
- Make sure that the Annual Governance and Accountability Return is complete (i.e. no empty highlighted boxes), and is properly signed and dated. Avoid making amendments to the completed Annual Governance and Accountability Return. Any amendments must be approved by the authority, properly initialled and accompanied by an explanation. If the Annual Governance and Accountability Return contains unapproved or unexplained amendments, it may be returned and additional costs will be incurred.
- The authority **should** receive and note the annual internal audit report prior to approving the annual governance statement and before approving the accounts.
- Use the checklist provided below to review the Annual Governance and Accountability Return for completeness before sending it to the external auditor.
- Do not send the external auditor any information not specifically requested. However, you **must** inform your external auditor about any change of Clerk, Responsible Finance Officer or Chairman, and provide relevant email addresses and telephone numbers.
- Make sure that the copy of the bank reconciliation to be sent to your external auditor with the Annual Governance and Accountability Return covers all the bank accounts. If the authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree the bank reconciliation to Box 8 on the accounting statements (**Section 2, page 5**). An explanation **must** be provided of any difference between Box 7 and Box 8. More help on bank reconciliation is available in the *Practitioners' Guide**.
- Explain fully significant variances in the accounting statements on **page 5**. Do not just send a copy of the detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete numerical and narrative analysis to support the explanation.
- If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or variances are not fully explained, additional costs will be incurred.
- Make sure that the accounting statements add up and that the balance carried forward from the previous year (Box 7 of 2017) equals the balance brought forward in the current year (Box 1 of 2018).
- Please enter the authority's name **only** in Section 3 on Page 6. **Do not complete the remainder of that section**, which is reserved for the external auditor.
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the commencement date for the exercise of public rights. From the commencement date for a single period of 30 consecutive working days, the accounts and accounting records can be inspected. Whatever period the RFO sets it **must** include a common inspection period – during which the accounts and accounting records of all smaller authorities must be available for public inspection – of the first ten working days of July.
- The authority **must** publish the information required by Regulation 15 (2), Accounts and Audit Regulations 2015, including the period for the exercise of public rights and the name and address of the external auditor.

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
All sections	Have all highlighted boxes have been completed?		
	Has all additional information requested, including the dates set for the period for the exercise of public rights, been provided for the external auditor?		
Internal Audit Report	Have all highlighted boxes have been completed by the internal auditor and explanations provided?		
Section 1	For any statement to which the response is 'no', is an explanation provided?		
Section 2	Has the authority's approval of the accounting statements been confirmed by the signature of the Chairman of the approval meeting?		
	Has an explanation of significant variations from last year to this year been provided?		
	The bank reconciliation as at 31 March 2018 is agreed to Box 8?		
	Has an explanation of any difference between Box 7 and Box 8 been provided?		
Sections 1 and 2	Trust funds – have all disclosures been made if the authority is a sole managing trustee? NB: do not send trust accounting statements unless requested or instructed.		

*More guidance on completing this annual return is available in *Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices*, which can be downloaded from www.nalc.gov.uk or from www.slcc.co.uk or from www.ada.org.uk

Annual Internal Audit Report 2017/18

SAWBRIDGEWORTH 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 2018.

The internal audit for 2017/18 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.

Internal control objective	Agreed? Please choose one of the following		
	Yes	No*	Not 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.	✓		
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. (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

24/05/18

Name of person who carried out the internal audit

CHRISTOPHER CLARK

Signature of person who carried out the internal audit

C. P. Clark

Date

05/06/18

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

Section 1 – Annual Governance Statement 2017/18

We acknowledge as the members of:

SANBRIDGEWORTH 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 2018, 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 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. Describe how the authority will address the weaknesses identified.

This Annual Governance Statement is approved by this authority and recorded as minute reference:

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

[Signature]

[Signature]

Chairman

dated *[Signature]*

[Signature]

Clerk

Other Information required by the Transparency Codes (not part of Annual Governance Statement)

Authority web address

www.sanbridgeworth-tc.gov.uk

Section 2 – Accounting Statements 2017/18 for

SAWBRIDGEWORTH TOWN COUNCIL

	Year ending		Notes and guidance
	31 March 2017 £	31 March 2018 £	
1. Balances brought forward	97,516	110,927	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	248,065	267,910	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	175,878	185,630	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	221,870	231,506	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	188,662	187,648	Total expenditure or payments as recorded in the cash-book less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	110,927	145,213	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	110,468	141,429	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	940,739	890,218	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	0	0	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 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 2018 the Accounting Statements in this Annual Governance and Accountability Return present fairly the financial position of this authority and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer

Date

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

and recorded as minute reference:

Signed by Chairman of the meeting where approval of the Accounting Statements is given