

Kendal Town Council

Town Hall, Highgate, Kendal LA9 4ED
www.kendaltowncouncil.gov.uk



23 January 2024

To Members of the Audit Committee

Cllr S Coleman	Cllr L Edwards
Cllr J Dunlop	Cllr M Helme
Cllr D Evans	Cllr D Rathbone (Vice-Chair)
Cllr C Russell (Chair)	Two vacancies

You are summoned to a meeting of Kendal Town Council Audit Committee on Monday, 29 January 2024, at 7.00 p.m., in the Council Chamber at the Town Hall, Highgate, Kendal.

(Distributed to other Members of the Council for information only.)

Yours faithfully

Chris Bagshaw
Town Clerk

AGENDA

Public Participation

Any member of the public who wishes to ask a question, make representations or present a deputation or petition at this meeting should apply to do so before the commencement of the meeting. Information on how to make the application is available on the Council's Website - <http://www.kendaltowncouncil.gov.uk/kendal-town-council/statutory-information/guidance-on-public-participation-at-kendal-town-council-meetings/>. The public are not permitted to speak in other parts of the meeting unless allowed to do so by the chair.

1. Apologies

To receive and accept any apologies. If accepted, apologies will be considered to be for reasons approved by the council under the terms of Local Government Act 1972, s85.

2. Declarations of Interest

To receive declarations by members and/or co-optees of interests in respect of items on this agenda.

3. Exclusion of Press and Public (Public Bodies Admission to Meetings Act 1960)

To consider whether there are any agenda items during consideration of which the press and public should be excluded.

4. Minutes of the Last Meeting (pages 3 to 6)

To receive the minutes of the meeting of the Audit Committee held on 16 October 2024 and to authorise the Chair to sign them as a true record (see attached).

5. Minute Action Sheet (page 7)

To consider a report on actions taken by officers on resolutions or recommendations made at previous meetings (see attached).

6. 2023/24 Budget Monitoring (pages 8 to 19)

To receive a report on the Council's budget and expenditure to the third quarter (see attached).

7. Bank Reconciliation (pages 20 to 21)

To receive and note the bank reconciliation statements at 31 December 2023.

8. External Audit (pages 22 to 25)

To receive and consider the report from the Council's External Auditor for the year 2022-23.

9. Internal Audit

To receive a verbal report on progress made towards the appointment of an Internal Auditor for 2023-24.

10. Risk Assessment (pages 26 to 30)

To consider a report on the Council's Risk Management policies (see attached).

11. Financial Procedures (pages 31 to 32)

To review the list of Financial Procedures (see attached).

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Minutes of a meeting of the Audit Committee held on Monday, 16 October 2023, at 7.30 p.m. in the Council Chamber at the Town Hall, Highgate, Kendal.

Cllr S Coleman	Present	Cllr J Dunlop	Present
Cllr L Edwards	Present	Cllr D Evans	Apologies
Cllr M Helme	Present	Cllr C Russell (Chair)	Present
Cllr D Rathbone (Vice-Chair)	Present		

In attendance: Chris Bagshaw (Town Clerk).

A1/2023 Apologies

Apologies for absence were received from Cllr Evans, but require ratifying at a subsequent meeting, as they were forwarded to a member of staff who was not present at the meeting.

A2/2023 Declarations of Interest

No declarations of interest were raised under this item.

A3/2023 Exclusion of Press and Public (Public Bodies Admission to Meetings Act 1960)

There were no excluded items on the agenda.

A4/2023 Minutes of the Last Meeting

Resolved: To receive the minutes of the former Audit, Grants and Charities Committee held on 10 July 2023 and to authorise the Chair to sign them as a true record.

A5/202 Minute Action Sheet

The Committee considered a report on actions taken by officers on resolutions or recommendations made at previous meetings. It was suggested that running headings could be carried over onto subsequent pages.

Resolved: To note the actions taken by officers on resolutions or recommendations made at previous meetings. It was suggested that the individual headings on the sheet be made to run over subsequent pages.

A6/2023 New Terms of Reference

The Town Clerk reported that the Audit Committee had inherited its role in overseeing the Audit of the Council's activities from the previous Audit, Grants and Charities Committee. He drew attention to the new Terms of Reference and asked the Committee to consider any actions required. The Committee noted that the 'Grants and Charities' element had now passed to the Culture and Communities Committee.

The Clerk explained that it was the Committee's role to manage the appointment of Internal Auditors, but the External Auditor was currently assigned by Smaller Authority Audit Appointments (SAAA).

It was noted that the new Terms of Reference refer to nine members, but that the current membership was only seven. The Committee suggested that this may be reviewed for the next municipal year.

Resolved: To note the Committee's revised Terms of Reference.

A7/2023 2023/24 Budget Monitoring

The Committee considered a report on the Council's budget and expenditure for the second quarter, to the end of September 2023. The Clerk explained a number of income headings, including the grant from SLDC, which was now discretionary for the collecting authority and related to the council tax support grant system, introduced through the Local Government Finance Act in 2013. It was suggested that the Council contacts Westmorland and Furness Council's chief finance officer to seek guidance on the likely continuance of this scheme.

As the various cost centres were reviewed and explained, a number of queries arose, which the Clerk answered, including the way the Council makes provision for electoral costs, both 4-yearly and as one-off events. The Chair explained that he was about to have a series of meetings with both the Clerk and the Finance Officer to get a better understanding of how the budget costs are calculated in the Council's finance system. It was noted that vehicle costs would be likely to change if the Council replaced its diesel van with an electric one, but the overall cost of having a vehicle may not change.

It was suggested the way in which ear-marked funds are presented to Council should ensure that members are reassured about particular projects. The term 'councillor contributions' was also felt to be opaque and could be improved.

Resolved: To note the report, including its statements of earmarked reserves.

Resolved: The Town Clerk to contact W&FC about the Council Tax Support Grant.

Resolved: The Town Clerk to consider ways in which the finance information of the Council is presented so that it is more readily understood by members.

A8/2023 Bank Reconciliation

The Committee considered the bank reconciliation statements to September 2023.

Resolved: To receive and note the bank reconciliation statements to September 2023.

A9/2022 External Audit

The Town Clerk reported that, at the time of publication of the agenda on Monday, 9 October 2023, the External Auditor had not submitted the Council's Audit Report. Instead, they had offered an 'interim statement', confirming that they had not completed the report within the statutory timescale. This statement had been published on the Council's website to maintain the Council's requirement for publishing within the statutory timescale and was attached to the agenda. The Clerk reported that this was very unusual, and the Committee asked that he take up the matter with the External Auditor and report the outcome to Management Committee.

Resolved: To receive and note the interim statement from the Council's External Auditor for the year 2022-23.

Resolved: That the Town Clerk take up the matter of late reporting with the External Auditor, and report the outcome to the Management Committee.

A10/2023 Tax Investigation Insurance Scheme

The Committee was asked to consider a Tax Investigation Service offered by RfM to protect the Council from the professional costs, stress and uncertainty brought about by an HMRC enquiry.

Resolved: Not to take up the Tax Investigation Service at this time, but to include the risk for consideration in the review of the Council's Risk Assessment at a subsequent meeting.

A11/2023 Internal Audit

The Town Clerk reported that the Accounts and Audit Regulations 2015 required the Council to 'undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'.

Public sector internal audit standards were not applied by regulation to the Town and Parish council sector, so the standards were for guidance and best practice.

The Town Clerk reminded Members that the Council should carry out a review of the effectiveness of its overall internal audit arrangements annually. The former Audit, Grants and Charities Committee had recommended that the Council refresh the Internal Auditor's terms of engagement. Pressure of time had meant that this had not been possible in 2022-23, but the Town Clerk advised that this should now be taken forward, as a matter of priority.

The extract from the Practitioners' Guide formed the basis for the letter of engagement, and should include:

- roles and responsibilities;
- audit planning and timing of visits;
- reporting requirements;
- rights to access information, Members and officers;
- period of engagement;
- remuneration;
- any other matters required for the management of the engagement by the Council; and
- professional indemnity insurance.

The Town Clerk further presented draft terms of engagement for Internal Audit.

The Committee was asked to consider the Council's arrangements for Internal Audit and to make any necessary recommendations.

Resolved: To draw up a new letter of engagement and invite potential Internal Auditors (which may include the current IA) to quote for the work, including an interim audit (equivalent to a six month review in future years).

A12/2023 Financial Regulations and Governance Arrangements Next Steps

The Town Clerk reported that the Council had adopted new Financial Regulations in June, based on the NALC 2019 Model Financial Regulations. One of the roles of the Audit Committee was to keep the Financial Regulations under review.

A new model was being drafted by NALC currently and the Town Clerk reported on progress of their current consultation on this matter. ***

The Committee was asked to consider if it wished to set out such other steps in the Council's governance arrangements as it saw appropriate and to consider the next steps in the Council's appraisal of its governance arrangements, following the adoption of new Financial Regulations.

Resolved: To note the review of the model financial regulations and to bring a list of financial procedures and practices to the next meeting of the Committee for review and consideration.

The meeting closed at 9.25 p.m.

Audit, Grants and Charities/Audit Committee - Minute Action Sheet - as at 23-01-24								
Ref. No.	Meeting Date	Minute No.	Title	Action (Resolution)	Officer Responsible	Deadline, if any	Date Actioned	Comments
4	17/04/2023	AGC49/2022	2022/23 Budget Monitoring	To consider ways in which to improve nominal codes.	CB			Under review
8	10/07/2023	AGC7/2023	2023/24 Budget Monitoring	To bring a report to the next meeting on the potential of making the Town Council's finance system available for all Members to view electronically.	CB		09-Oct-23	Process in trial
10	10/07/2023	AGC9/2023	Internal Audit	To endorse the Town Clerk's proposal for a six month interim review.	CB			Process of identifying candidates has begun, but is delayed due to staffing issues.
12	16/10/2023	A5/2023	Minute Action Sheet	It was suggested that running headings could be carried over onto subsequent pages.	IJB	29/01/2024	08/01/2023	Complete
17	16/10/2023	A11/2023	Internal Audit	To draw up a new letter of engagement and invite potential Internal Auditors (which may include the current IA) to quote for the work, including an interim audit (equivalent to a six month review in future years)	CB			in progress
18	16/10/2023	A12/2023	Financial Regulations and Governance Arrangements Next Steps	To note the review of the model financial regulations and to bring a list of financial procedures and practices to the next meeting of the Committee for review and consideration.	CB			On agenda

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Kendal Town Council
Annual Budget - By Centre (Actual YTD Month 10)
Note: Full Budget Statement

		<u>22/23</u>		<u>23/24</u>				<u>24/25</u>		
		Budget	Actual	Total	Actual YTD	Projected	Committed	Agreed	EMR	Carried Forward
100	<u>Income</u>									
1076	Precept	502,285	502,285	567,997	567,997	567,997	0	627,637	0	0
1077	SLDC Grant	34,147	34,147	33,046	33,047	33,046	0	33,000	0	0
1080	Bank Interest	1,320	1,091	4,000	6,892	8,000	0	0	0	0
1090	CIL Receipts	68,176	68,176	85,000	140,819	140,819	0	0	0	0
1100	Allotment Rent	22,000	23,746	23,500	23,345	23,500	0	24,200	0	0
1999	Other Income	0	0	0	2,063	0	0	0	0	0
Total Income		627,928	629,446	713,543	774,163	773,362	0	684,837	0	0
6001	less Transfer to EMR	0	68,176	0	140,819	0	0	0	0	0
Movement to/(from) Gen Reserve		627,928	561,269	713,543	633,344	773,362		684,837		
200	<u>Staffing Costs</u>									
4000	Staff Gross Pay	242,000	254,868	276,730	229,974	280,000	0	309,700	0	0
4001	Staff GP Childcare V	0	1,235	120	91	100	0	0	0	0
4055	Travel	0	480	500	64	100	0	500	0	0
4060	Staff Mobile Phone	0	131	150	47	47	0	0	0	0
4065	Staff Expenses	0	156	500	48	100	0	500	0	0
4070	Staff Training	3,000	1,377	2,000	510	700	0	3,000	0	0
Overhead Expenditure		245,000	258,248	280,000	230,735	281,047	0	313,700	0	0
Movement to/(from) Gen Reserve		(245,000)	(258,248)	(280,000)	(230,735)	(281,047)		(313,700)		
210	<u>Premises & Accommodation</u>									
4100	Premises - Service&Rent Charge	18,000	13,639	13,700	10,594	13,700	0	13,800	0	0
4110	Premises Telephones	0	100	200	100	200	0	200	0	0
4115	Premises Garage Rent	0	1,083	2,600	2,600	2,600	0	2,600	0	0

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Kendal Town Council
Annual Budget - By Centre (Actual YTD Month 10)
Note: Full Budget Statement

		<u>22/23</u>		<u>23/24</u>				<u>24/25</u>		
		Budget	Actual	Total	Actual YTD	Projected	Committed	Agreed	EMR	Carried Forward
4120	Premises Garage Electricity	0	376	372	0	372	0	400	0	0
4130	Premises Other & Gen Equip	0	1,822	2,678	1,018	1,200	0	2,778	0	0
4135	PremisAlarms - Service & Maint	0	1,569	1,850	1,751	1,850	0	1,850	0	0
4140	Premises PPE	1,000	0	100	59	100	0	1,000	0	0
4150	DNU	0	333	0	0	0	0	0	0	0
Overhead Expenditure		19,000	18,922	21,500	16,122	20,022	0	22,628	0	0
Movement to/(from) Gen Reserve		(19,000)	(18,922)	(21,500)	(16,122)	(20,022)		(22,628)		
<u>220</u>	<u>IT & Communications</u>									
4200	IT Rialtas Costs	0	4,224	2,554	2,554	2,554	0	2,750	0	0
4205	IT Domain/Web (Designworks)	0	1,206	1,250	912	1,250	0	1,500	0	0
4210	IT Support (ITEK/Sage)	0	4,256	4,300	3,531	4,300	736	4,300	0	0
4215	IT Digital Meetings/Admin	0	859	1,000	566	1,000	101	1,000	0	0
4220	IT ITEK Other Costs	0	4,578	3,329	4,178	4,300	0	3,329	0	0
4225	New IT /Comp/Equip (Assets)	0	4,780	1,250	914	1,900	0	3,071	0	0
4230	IT Other Costs	17,500	0	317	969	1,000	25	750	0	0
4235	Newsletter	11,500	11,276	12,500	7,883	12,500	0	13,000	0	0
Overhead Expenditure		29,000	31,178	26,500	21,507	28,804	863	29,700	0	0
Movement to/(from) Gen Reserve		(29,000)	(31,178)	(26,500)	(21,507)	(28,804)		(29,700)		
<u>230</u>	<u>Insurance & Finance Costs</u>									
4300	Insurance Public Liability	0	5,732	5,386	5,387	5,386	0	5,400	0	0
4305	HR Costs	12,000	0	4,000	4,956	6,200	0	4,500	0	0
4310	Finance Costs (Audit Fees)	0	2,900	2,800	-100	2,800	0	3,800	0	0
4315	Finance - BK & Voucher Fees	0	261	364	89	120	0	200	0	0

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Kendal Town Council
Annual Budget - By Centre (Actual YTD Month 10)
Note: Full Budget Statement

		<u>22/23</u>		<u>23/24</u>				<u>24/25</u>		
		Budget	Actual	Total	Actual YTD	Projected	Committed	Agreed	EMR	Carried Forward
4320	Finance Payroll Costs	0	412	520	321	520	0	520	0	0
4910	Other Expenses	0	0	530	0	100	0	100	0	0
Overhead Expenditure		12,000	9,306	13,600	10,653	15,126	0	14,520	0	0
Movement to/(from) Gen Reserve		(12,000)	(9,306)	(13,600)	(10,653)	(15,126)		(14,520)		
<u>240</u>	<u>Stationery/Office General</u>									
4400	Admin Printing/Stationery/Post	0	1,889	2,100	1,801	2,100	0	2,100	0	0
4405	Admin Office Equip/Consumables	0	326	1,000	57	200	0	1,000	0	0
4415	Admin Repairs to Office Equip	0	0	500	0	100	0	500	0	0
4420	Photocopier (Lease & Service)	0	1,329	1,398	981	1,398	0	1,500	0	0
4425	Admin General	10,000	283	2,402	166	300	0	0	0	0
4430	Admin Subscriptions	0	2,787	3,000	2,896	3,000	0	3,000	0	0
4595	Levelling Up Contribution	5,000	5,000	0	0	0	0	0	0	0
4910	Other Expenses	0	100	0	0	0	0	0	0	0
Overhead Expenditure		15,000	11,715	10,400	5,901	7,098	0	8,100	0	0
Movement to/(from) Gen Reserve		(15,000)	(11,715)	(10,400)	(5,901)	(7,098)		(8,100)		
<u>250</u>	<u>Vehicle Costs</u>									
4500	Vehicle Fuel	0	1,186	1,200	757	1,000	0	1,200	0	0
4505	Vehicle Tracking Fee	0	92	96	80	96	0	0	0	0
4510	Vehicle Repairs	0	770	2,000	16	2,000	300	2,600	0	0
4515	Vehicle Van INS/TAX/MOT	0	1,673	1,300	1,333	1,300	0	1,300	0	0
4520	Vehicle Other Costs	2,500	0	404	0	100	0	0	0	0
Overhead Expenditure		2,500	3,720	5,000	2,187	4,496	300	5,100	0	0
Movement to/(from) Gen Reserve		(2,500)	(3,720)	(5,000)	(2,187)	(4,496)		(5,100)		

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Kendal Town Council
Annual Budget - By Centre (Actual YTD Month 10)
Note: Full Budget Statement

		<u>22/23</u>		<u>23/24</u>				<u>24/25</u>		
		Budget	Actual	Total	Actual YTD	Projected	Committed	Agreed	EMR	Carried Forward
<u>260</u>	<u>Elections</u>									
4580	Elections - Wards	2,777	2,777	0	0	0	0	0	0	0
4590	Election Fund	5,000	0	30,000	0	30,000	0	10,000	0	0
	Overhead Expenditure	<u>7,777</u>	<u>2,777</u>	<u>30,000</u>	<u>0</u>	<u>30,000</u>	<u>0</u>	<u>10,000</u>	<u>0</u>	<u>0</u>
	Movement to/(from) Gen Reserve	<u>(7,777)</u>	<u>(2,777)</u>	<u>(30,000)</u>	<u>0</u>	<u>(30,000)</u>		<u>(10,000)</u>		
<u>270</u>	<u>Mayoralty & Arts</u>									
4700	Mayoral Allowance	5,250	5,524	5,524	5,000	5,000	0	5,000	0	0
4705	Mayoral Travel	800	281	800	557	600	0	800	0	0
4720	Mayor Making	0	1,838	2,200	2,273	2,273	0	2,500	0	0
4725	Torchlight	0	1,730	1,730	850	1,730	0	2,000	0	0
4730	Remembrance Sunday	0	279	300	97	300	0	350	0	0
4735	Pictures & Others	0	0	100	50	100	0	250	0	0
4745	Misc. Mayoral Functions & Exp	7,500	5,492	3,170	2,685	3,170	0	4,000	0	0
4746	Mayor's Charit Exp	0	0	0	50	0	0	0	0	0
4750	Twinning	2,500	930	1,500	70	500	0	1,500	0	0
4755	Exhibitions	2,000	2,000	1,000	0	1,000	0	1,000	0	0
4760	Museum	2,000	2,000	2,000	2,000	2,000	0	2,000	0	0
	Overhead Expenditure	<u>20,050</u>	<u>20,075</u>	<u>18,324</u>	<u>13,632</u>	<u>16,673</u>	<u>0</u>	<u>19,400</u>	<u>0</u>	<u>0</u>
6000	plus Transfer from EMR	0	4,309	0	0	0	0	0	0	0
	Movement to/(from) Gen Reserve	<u>(20,050)</u>	<u>(15,766)</u>	<u>(18,324)</u>	<u>(13,632)</u>	<u>(16,673)</u>		<u>(19,400)</u>		
<u>280</u>	<u>Promoting Equality & Diversity</u>									
4596	Promoting Equality & Diversity	150	79	150	79	150	0	0	0	0
	Overhead Expenditure	<u>150</u>	<u>79</u>	<u>150</u>	<u>79</u>	<u>150</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

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Kendal Town Council
Annual Budget - By Centre (Actual YTD Month 10)
Note: Full Budget Statement

		<u>22/23</u>		<u>23/24</u>				<u>24/25</u>		
		Budget	Actual	Total	Actual YTD	Projected	Committed	Agreed	EMR	Carried Forward
Movement to/(from) Gen Reserve		<u>(150)</u>	<u>(79)</u>	<u>(150)</u>	<u>(79)</u>	<u>(150)</u>		<u>0</u>		
300	<u>Kendal Vision & Futures</u>									
4600	DNU Support Co-Ordinator	0	5,000	0	0	0	0	0	0	0
4601	Kendal Futures Manager Contrib	31,750	0	10,000	10,000	10,000	0	10,800	0	0
4605	Kendal Vision Contribution	0	0	5,500	5,500	5,500	0	5,000	0	0
4610	Kirkland Banners	0	1,500	0	0	0	0	0	0	0
Overhead Expenditure		<u>31,750</u>	<u>6,500</u>	<u>15,500</u>	<u>15,500</u>	<u>15,500</u>	<u>0</u>	<u>15,800</u>	<u>0</u>	<u>0</u>
Movement to/(from) Gen Reserve		<u>(31,750)</u>	<u>(6,500)</u>	<u>(15,500)</u>	<u>(15,500)</u>	<u>(15,500)</u>		<u>(15,800)</u>		
310	<u>Promoting Kendal</u>									
4610	Kirkland Banners	0	0	1,500	1,500	1,500	0	1,600	0	0
4650	Visit Kendal Leaflets	0	0	8,280	1,280	8,970	0	9,000	0	0
4655	Visit Kendal Website Cont.	0	4,580	2,500	2,500	2,500	0	3,000	0	0
4660	Visit Kendal Content Co-ord.	5,000	7,470	6,770	6,615	6,770	0	7,250	0	0
Overhead Expenditure		<u>5,000</u>	<u>12,050</u>	<u>19,050</u>	<u>11,895</u>	<u>19,740</u>	<u>0</u>	<u>20,850</u>	<u>0</u>	<u>0</u>
6000	plus Transfer from EMR	0	0	0	2,450	0	0	0	0	0
Movement to/(from) Gen Reserve		<u>(5,000)</u>	<u>(12,050)</u>	<u>(19,050)</u>	<u>(9,445)</u>	<u>(19,740)</u>		<u>(20,850)</u>		
320	<u>Wainwright Fund</u>									
9900	Wainwright Fund Exp	250	250	250	250	250	0	0	0	0
Overhead Expenditure		<u>250</u>	<u>250</u>	<u>250</u>	<u>250</u>	<u>250</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
6000	plus Transfer from EMR	0	250	0	250	0	0	0	0	0
Movement to/(from) Gen Reserve		<u>(250)</u>	<u>0</u>	<u>(250)</u>	<u>0</u>	<u>(250)</u>		<u>0</u>		
400	<u>Audit, Grants & Charities</u>									

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Kendal Town Council
Annual Budget - By Centre (Actual YTD Month 10)
Note: Full Budget Statement

		<u>22/23</u>		<u>23/24</u>				<u>24/25</u>		
		Budget	Actual	Total	Actual YTD	Projected	Committed	Agreed	EMR	Carried Forward
1999	Other Income	0	0	0	-1,500	0	0	0	0	0
	Total Income	0	0	0	-1,500	0	0	0	0	0
4690	AG&C Community Grants	41,000	37,300	43,000	22,804	43,000	0	43,000	0	0
	Overhead Expenditure	41,000	37,300	43,000	22,804	43,000	0	43,000	0	0
	Movement to/(from) Gen Reserve	(41,000)	(37,300)	(43,000)	(24,304)	(43,000)		(43,000)		
430	<u>Christmas Lights & Festivals</u>									
4800	Christmas Lights	17,500	11,437	18,000	18,100	18,100	0	30,000	0	0
4805	CL&F infrastructure & Maint	10,000	8,112	4,726	4,606	4,726	0	5,000	0	0
4810	Christmas Electricity	750	1,268	850	0	850	0	1,100	0	0
4815	Christmas Switch On	3,500	3,881	8,470	6,241	8,470	4,287	10,000	0	0
4820	CL&F Bunting	1,250	1,004	1,250	265	1,250	0	1,500	0	0
4825	Jubilee/Coronation	5,000	3,273	6,032	6,032	6,032	0	0	0	0
4826	Cultural Initiatives	0	0	0	0	0	0	5,000	0	0
4830	CL&F Festival Grants	30,000	27,000	25,000	18,977	25,000	0	23,000	0	0
	Overhead Expenditure	68,000	55,976	64,328	54,220	64,428	4,287	75,600	0	0
6000	plus Transfer from EMR	0	0	0	6,453	0	0	0	0	0
	Movement to/(from) Gen Reserve	(68,000)	(55,976)	(64,328)	(47,767)	(64,428)		(75,600)		
440	<u>Kendal In Bloom</u>									
4900	KIB Floral Displays	21,500	21,444	26,500	18,040	26,500	0	30,000	0	0
4905	KIB Projects & Grants	8,700	8,114	8,500	2,591	8,500	326	6,000	0	0
4910	Other Expenses	0	322	0	84	84	0	0	0	0
	Overhead Expenditure	30,200	29,880	35,000	20,715	35,084	326	36,000	0	0

Continued on next page

12:17

Kendal Town Council
Annual Budget - By Centre (Actual YTD Month 10)
Note: Full Budget Statement

		<u>22/23</u>		<u>23/24</u>				<u>24/25</u>		
		Budget	Actual	Total	Actual YTD	Projected	Committed	Agreed	EMR	Carried Forward
Movement to/(from) Gen Reserve		<u>(30,200)</u>	<u>(29,880)</u>	<u>(35,000)</u>	<u>(20,715)</u>	<u>(35,084)</u>		<u>(36,000)</u>		
500	Allotments									
5000	Allotments Capital Spending	40,000	25,333	0	-101	-101	0	0	0	0
5005	Allotments Gen Exp	8,000	8,044	8,800	1,803	8,800	691	9,000	0	0
5015	Allotment Water	1,800	2,102	1,800	1,601	1,800	0	1,950	0	0
5020	Allotment Rent	900	840	950	960	960	0	1,050	0	0
5025	Allotment Pest Control	3,000	2,076	3,000	1,587	3,000	0	3,200	0	0
	Overhead Expenditure	53,700	38,395	14,550	5,850	14,459	691	15,200	0	0
6000	plus Transfer from EMR	0	25,233	0	0	0	0	0	0	0
	Movement to/(from) Gen Reserve	<u>(53,700)</u>	<u>(13,163)</u>	<u>(14,550)</u>	<u>(5,850)</u>	<u>(14,459)</u>		<u>(15,200)</u>		
600	E - New Infrastructure/Improve									
1999	Other Income	0	800	0	0	0	0	0	0	0
	Total Income	0	800	0	0	0	0	0	0	0
5107	E - New Infrastructure	4,642	4,062	0	438	438	0	0	0	0
5108	E - Infrastructure Maint	3,937	3,602	8,438	3,350	8,000	0	5,000	0	0
5109	Environment Core - Misc	556	0	879	0	879	0	0	0	0
	Overhead Expenditure	9,135	7,664	9,317	3,788	9,317	0	5,000	0	0
	600 Net Income over Expenditure	-9,135	-6,864	-9,317	-3,788	-9,317	0	-5,000	0	0
6000	plus Transfer from EMR	0	2,955	0	0	0	0	0	0	0
	Movement to/(from) Gen Reserve	<u>(9,135)</u>	<u>(3,909)</u>	<u>(9,317)</u>	<u>(3,788)</u>	<u>(9,317)</u>		<u>(5,000)</u>		
630	E - SLDC Charges									
5300	E - W&F Charges-Footway Light	3,751	3,750	4,200	0	4,200	0	5,000	0	0

Continued on next page

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Kendal Town Council
Annual Budget - By Centre (Actual YTD Month 10)
Note: Full Budget Statement

		<u>22/23</u>		<u>23/24</u>				<u>24/25</u>		
		Budget	Actual	Total	Actual YTD	Projected	Committed	Agreed	EMR	Carried Forward
5305	E - W&F Charges-Somervel Main	500	0	0	0	0	0	0	0	0
5310	E - W&F Charges-Bins	2,650	1,254	3,000	2,539	3,000	115	3,250	0	0
Overhead Expenditure		6,901	5,004	7,200	2,539	7,200	115	8,250	0	0
Movement to/(from) Gen Reserve		(6,901)	(5,004)	(7,200)	(2,539)	(7,200)		(8,250)		
<u>900</u>	<u>Projects - Climate Change</u>									
9040	Climate Town Centre Recom.Hub	10,000	0	30,000	20,000	30,000	0	0	0	0
9050	DNU Solar Audit Campaign	4,565	0	0	0	0	0	0	0	0
9055	Climate Jury Website	398	398	0	0	0	0	0	0	0
9060	Climate Zero Carbon Kendal	1,000	396	530	265	530	0	0	0	0
9130	New Projects TBC	1,121	1,195	0	0	0	0	0	0	0
Overhead Expenditure		17,084	1,989	30,530	20,265	30,530	0	0	0	0
6000	plus Transfer from EMR	0	1,989	0	20,265	0	0	0	0	0
Movement to/(from) Gen Reserve		(17,084)	0	(30,530)	0	(30,530)		0		
<u>910</u>	<u>Projects - Biodiversity</u>									
9120	Bio Dark Skies Campaign	5,000	0	5,000	0	5,000	0	0	0	0
9124	Biodiversity Grants 24.25	0	0	0	0	0	0	10,000	0	0
9125	Bio 2nd Round-Biod Grants	3,400	1,000	2,400	1,750	2,400	0	0	0	0
9126	DNU Living Roof Bus Shelter	2,500	0	0	0	0	0	0	0	0
9127	Bio Wildflowers Kendal Green	1,300	1,059	56	0	56	0	6,400	0	0
9129	Bio Canal Head Wetlands	1,300	800	500	0	500	0	0	0	0
9130	New Projects TBC	500	0	3,000	179	3,000	18	0	0	0
Overhead Expenditure		14,000	2,859	10,956	1,929	10,956	18	16,400	0	0
6000	plus Transfer from EMR	0	3,044	0	1,929	0	0	0	0	0

Continued on next page

12:17

Kendal Town Council
Annual Budget - By Centre (Actual YTD Month 10)
Note: Full Budget Statement

		<u>22/23</u>		<u>23/24</u>				<u>24/25</u>		
		Budget	Actual	Total	Actual YTD	Projected	Committed	Agreed	EMR	Carried Forward
Movement to/(from) Gen Reserve		(14,000)	185	(10,956)	0	(10,956)		(16,400)		
<u>920</u>	<u>Projects - 20MPH</u>									
9200	20 MPH	18,400	0	30,000	0	30,000	0	0	0	0
9201	20 MPHContri to Data Collectio	1,000	1,000	0	0	0	0	0	0	0
Overhead Expenditure		19,400	1,000	30,000	0	30,000	0	0	0	0
6000	plus Transfer from EMR	0	1,000	0	0	0	0	0	0	0
Movement to/(from) Gen Reserve		(19,400)	0	(30,000)	0	(30,000)		0		
<u>930</u>	<u>Projects -Cycling & Walking</u>									
1999	Other Income	0	1,000	0	0	0	0	0	0	0
Total Income		0	1,000	0	0	0	0	0	0	0
9300	C&W Footpath Quality Audit	12,000	0	12,000	0	12,000	0	0	0	0
9305	C&WKirkbarrow Connections	10,300	186	10,114	2,538	10,114	0	0	0	0
9307	C&W Kendal Castle Pump Track	4,000	2,000	2,000	0	2,000	0	0	0	0
9308	C&W Cllrs Contributions	5,700	0	6,700	0	6,700	0	0	0	0
9310	C&W Signage Improvements	4,000	0	4,000	0	4,000	0	0	0	0
9315	C&W 22/23 LCRP Cont	5,000	0	5,000	0	5,000	0	0	0	0
Overhead Expenditure		41,000	2,186	39,814	2,538	39,814	0	0	0	0
930 Net Income over Expenditure		-41,000	-1,186	-39,814	-2,538	-39,814	0	0	0	0
6000	plus Transfer from EMR	0	2,186	0	2,538	0	0	0	0	0
6001	less Transfer to EMR	0	1,500	0	0	0	0	0	0	0
Movement to/(from) Gen Reserve		(41,000)	(500)	(39,814)	0	(39,814)		0		
<u>935</u>	<u>River Corridor Connectivity</u>									

Continued on next page

12:17
Kendal Town Council
Annual Budget - By Centre (Actual YTD Month 10)
Note: Full Budget Statement

		<u>22/23</u>		<u>23/24</u>				<u>24/25</u>		
		Budget	Actual	Total	Actual YTD	Projected	Committed	Agreed	EMR	Carried Forward
9600	River Corridor Connectivity	31,000	28,292	2,708	0	2,708	0	0	0	0
	Overhead Expenditure	31,000	28,292	2,708	0	2,708	0	0	0	0
6000	plus Transfer from EMR	0	28,292	0	0	0	0	0	0	0
	Movement to/(from) Gen Reserve	(31,000)	(0)	(2,708)	0	(2,708)		0		
<u>940</u>	<u>Projects - Green Spaces Impro</u>									
1999	Other Income	0	500	0	0	0	0	0	0	0
	Total Income	0	500	0	0	0	0	0	0	0
9130	New Projects TBC	3,500	775	7,725	0	7,725	0	0	0	0
9400	Green Bowling Fell Project	7,000	0	7,000	0	7,000	0	0	0	0
9405	Green Sepentine Woods Trail	1,000	1,000	0	283	283	0	0	0	0
9410	Green Fellside Play Provision	5,000	0	5,000	4,171	5,000	730	0	0	0
9411	Green Mintsfeet Development	7,500	0	7,500	0	7,500	0	0	0	0
9415	Green Fletcher Park	607	397	210	0	210	0	0	0	0
	Overhead Expenditure	24,607	2,172	27,435	4,454	27,718	730	0	0	0
	940 Net Income over Expenditure	-24,607	-1,672	-27,435	-4,454	-27,718	-730	0	0	0
6000	plus Transfer from EMR	0	2,172	0	4,454	0	0	0	0	0
6001	less Transfer to EMR	0	500	0	0	0	0	0	0	0
	Movement to/(from) Gen Reserve	(24,607)	0	(27,435)	1	(27,718)		0		
<u>950</u>	<u>Projects -Public Realm Enhance</u>									
9505	DNU Further Ivy Screening Proj	5,500	0	5,500	0	5,500	0	0	0	0
9506	PR Kendal Yards	2,500	0	12,500	0	12,500	0	0	0	0
9507	PR Oxenholme Signage	4,014	0	4,014	0	4,014	0	0	0	0

Continued on next page

12:17

Kendal Town Council
Annual Budget - By Centre (Actual YTD Month 10)
Note: Full Budget Statement

		<u>22/23</u>		<u>23/24</u>				<u>24/25</u>		
		Budget	Actual	Total	Actual YTD	Projected	Committed	Agreed	EMR	Carried Forward
9508	PR Water Fountain	0	0	5,000	0	5,000	0	0	0	0
9510	DNU Nobles Rest	5,000	0	0	0	0	0	0	0	0
Overhead Expenditure		17,014	0	27,014	0	27,014	0	0	0	0
Movement to/(from) Gen Reserve		(17,014)	0	(27,014)	0	(27,014)		0		
<u>960</u>	<u>Planning</u>									
9610	Planning FRSWG Scheme	40,000	0	130,000	0	130,000	0	20,000	0	0
9615	PlanningNeighbourhood Planning	0	0	0	0	0	0	2,500	0	0
9620	Planning Training	0	0	0	0	0	0	2,500	0	0
Overhead Expenditure		40,000	0	130,000	0	130,000	0	25,000	0	0
Movement to/(from) Gen Reserve		(40,000)	0	(130,000)	0	(130,000)		(25,000)		
Total Budget Income		627,928	631,746	713,543	772,663	773,362	0	684,837	0	0
Expenditure		800,518	587,536	912,126	467,563	911,134	7,329	684,248	0	0
Net Income over Expenditure		-172,590	44,209	-198,583	305,100	-137,772	-7,329	589	0	0
plus Transfer from EMR		0	71,430	0	38,339	0	0	0	0	0
less Transfer to EMR		0	70,176	0	140,819	0	0	0	0	0
Movement to/(from) Gen Reserve		(172,590)	45,463	(198,583)	202,620	(137,772)		589		

23/24 Reserves Statement							
Page 1							
		Reserve Balances As at 1st April 2023	Additions/ Virements/ Income to Date:23/24	Virements/ Actual Exp to Date 23/24	Forecast Exp from Reserves 23/24	Forecast Reserves as at 31st march 2024	Notes:
General Reserves		£30,260					
			£4,565 Forecast Income (Not incl CIL) £629543	Forecast Exp against Rev Budget -£623448	Forecast Income less Foercast Exp (Rev Budget) £6095		From Development Reserve - Solar Audit Campaign
TOTAL						£40,920	*** Forecast Underspend on Revenue Budget (see Notes Below)
Development							
Development Reserves	£143,440						To General Reserves Re Solar Audit Campaign
				-£4,565	-£4,565		Town Centre Recommendation Hub - 10k for 3 years
				-£20,000	-£30,000		Zero Carbon Kendal 23/24
				-£265	-£530		Dark Skies
				-£1,750	-£2,400		Biodiversity Grants 23/24
				-£59	-£59		Living Roof Bus Shelter
					-£500		Canal Head Wetlands
				-£179	-£3,000		Biodiversity New Projects 23/24
		£11,600			-£30,000		CIL 20 MPH - Addition to Budget
					-£12,000		C&W Footpath Audit
				-£2,538	-£10,114		C&W Kirkbarrow Connections
					-£2,000		C&W Kendal Pump Track
					-£4,000		C&W Signage Improvements
					-£5,000		C&W LCRP
					-£7,725		Green Spaces New Projects
					-£7,000		Green Bowling Fell Project
				-£283	-£283		Serpentine Woods Trail
				-£4,171	-£5,000		Fellside Play Provision
					-£7,500		Mintsfeet Development
					-£210		Fletcher park
					-£5,500		Further Ivy Screening
					-£2,500		Kendal Yards
		£10,000			-£10,000		CIL Kendal Yards from CIL
							Inv due from Kendal Futures Nov 23 for £12,500 - £10k from CIL and 2,5k from the Budget
					-£4,014		Oxenholme Signage
			£5,000		-£5,000		CIL Water Fountain
			£750		-£750		CIL New Bench Windermere Rd
Environment Reserves	£880		£4,738		-£5,617		CIL Fellside Methodist Church
Councillor Contributions to Env	£6,700				-£6,700		C&W Cllr Contribution Exp
TOTAL:		£151,019	£32,088	-£33,810	-£176,967	£6,140	
All Other Reserve Accounts							
Allotments	£42,886		£339			£43,225	22/23 Bank Interest apportionment
Allotments			£25,000			£25,000	23/24 CIL - Approved at Management
Arts & heritage	£13,579		£107			£13,687	22/23 Bank Interest apportionment
Election	£17,037					£17,037	
FRSWG	£110,000		£20,000			£130,000	£20k From 23/24 Revenue Budget
Wainwright	£11,350			-£250		£11,100	23/24 Wainwright Award
Wainwright			£90			£90	22/23 Bank Interest apportionment
Connectivity	£2,708					£2,708	
Visit Kendal Website	£2,450			-£2,450		£0	23/24 Anna Bailey Costs BID
CL&F	£1,728			-£1,728		£0	23/24 Switch on Exp
TOTAL:		£201,738	£45,536	-£4,428	£0	£242,847	
CIL	(CIL recd 2019-22) £82,981		£140,819				23/24 CIL Received
				-£10,000			To Kendal Yards
				-£25,000			CIL Allotments
				-£4,750			CIL Projector
				-£5,000			Water Fountain
				-£4,738			Fellside Methodist Church Handrails
				-£11,600			20 MPH
				-£4,000			Tree Survey & Management Plan
							CL&F Ice Rink £15k TBC
							CL&F Upgrade Lights £30k TBC
							Access Ramp The Eddington £10k TBC
							New Bench Windermere Rd £750 TBC
				-£30,000			Proposal - Kendal Vision
				-£5,000			Proposal - Project Birdcage
				-£50,000			Proposal - Footpaths Improvements
				-£50,000			Proposal - Easy Travel
				-£35,000			Proposal - Pumtrack
TOTAL:		£82,981	£140,819	-£235,088	£0	-£11,288	To Fund from 24/25 CIL Monies
TOTAL RESERVE VALUE		£465,998				£278,618	

Time: 11:53

**Bank Reconciliation Statement as at 31/12/2023
for Cashbook 1 - Current Bank A/c**

User: 8134.S.DENNEY

<u>Bank Statement Account Name (s)</u>	<u>Statement Date</u>	<u>Page</u>	<u>Balances</u>
Current A/C	31/12/2023		25,000.00
Reserve A/C	31/12/2023		591,051.87
			<u>616,051.87</u>
<u>Unpresented Payments (Minus)</u>		<u>Amount</u>	
		0.00	
			<u>0.00</u>
			616,051.87
<u>Unpresented Receipts (Plus)</u>			
		0.00	
			<u>0.00</u>
			616,051.87
		Balance per Cash Book is :-	616,521.32
		Difference Excluding Adjustments is :-	-469.45
<u>Adjustments to Reconciliation</u>			
29/12/2023 Allotment Allotmt Rts relating Jan 24		-469.45	
			<u>-469.45</u>
		Unreconciled Difference is :-	<u>0.00</u>

Signatory 1:

Name Signed Date

Signatory 2:

Name Signed Date

Time: 12:23

**Bank Reconciliation Statement as at 31/12/2023
for Cashbook 5 - Petty Cash**

User: 8134.S.DENNEY

<u>Bank Statement Account Name (s)</u>	<u>Statement Date</u>	<u>Page</u>	<u>Balances</u>
Petty Cash	31/12/2023		149.09
			<u>149.09</u>
<u>Unpresented Payments (Minus)</u>		<u>Amount</u>	
		0.00	
			<u>0.00</u>
			149.09
<u>Unpresented Receipts (Plus)</u>			
		0.00	
			<u>0.00</u>
			149.09
		Balance per Cash Book is :-	149.09
		Difference is :-	0.00

Signatory 1:

Name Signed Date

Signatory 2:

Name Signed Date

In respect of **Kendal Town Council**

1 Respective responsibilities of the body and the auditor

Our responsibility as auditors to complete a **limited assurance review** is set out by the National Audit Office (NAO). A limited assurance review is **not a full statutory audit**, it does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and hence it does not provide the same level of assurance that such an audit would. The UK Government has determined that a lower level of assurance than that provided by a full statutory audit is appropriate for those local public bodies with the lowest levels of spending.

Under a limited assurance review, the auditor is responsible for reviewing Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with NAO Auditor Guidance Note 02 (AGN 02) as issued by the NAO on behalf of the Comptroller and Auditor General. AGN 02 is available from the NAO website – <https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/>.

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

- summarises the accounting records for the year ended 31 March 2023; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors

2 External auditor report 2022/23

Except for the matters reported below on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return is in accordance with the Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

It was noted on review that the announcement of the Period for Public Rights was made prior to the approval of Section 2 of the Annual Governance and Accountability Return. Regulation 12 – 15 of the Accounts and Audit Regulations 2015 set out the order required to be followed when approving, announcing and publishing the Return and related documents in order to satisfy the Public Rights requirements. The regulations require that the Return be approved prior to the Notice being published.

Other matters not affecting our opinion which we draw to the attention of the authority:

The comparative column of the AGAR Section 2 Statement of Accounts does not arithmetically add down to Box 7 by £1 when summed. When rounding the numbers for the Return care should be taken to ensure the Return sums correctly as well as ensuring that box 7 of the comparative year equals box 1 of the current year.

Incomplete information was provided with the initial supporting data submitted for review with regards to significant variances, which was later requested but still insufficient. The parish council should in future ensure that all the necessary supporting information is provided with their annual submission.

The Internal Auditor has commented that they were unable to confirm that the council met its annual publishing requirements and marked the relevant point as 'Not Covered' in their report. The council is certain it has met its responsibilities and therefore responded 'Yes' to the relevant assertions. As these are requirements based on specific points of time, we are also unable to independently confirm this. The internal auditor is intending to timetable this into their checks during the 2023-24 year.

The Internal Auditor has answered 'Yes' to question K on the Annual Internal Audit Report that are stated to relate to authorities that were exempt in the current or prior year. We would expect this to be answered 'Not covered' as they were not exempt.

3 External auditor certificate 2022/23

We certify that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2023.

External Auditor Name



External Auditor Signature

Moore

Date

17/01/2024



Our ref: 979/1469150

18 January 2024

Mr C Bagshaw
Kendal Town Council
Town Hall
Kendal
Cumbria
LA9 4DL

Moore East Midlands
Oakley House
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Moore East Midlands
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Dear Mr Bagshaw

Annual Governance and Accountability Return for the Year ended 31 March 2023

Please find enclosed the signed External Audit Report to accompany your Annual Governance and Accountability Return for the year ended 31 March 2023.

We also enclose a note of our charges based on the fixed rate audit fee as set by the Smaller Authorities' Audit Appointments Ltd.

Authorities who have not claimed exemption

Regulation 13 of the Accounts and Audit Regulations 2015 stipulate that Authorities, who are not inactive Authorities, must publish the following (including on the Authority's website):

- (a) The Statement of Accounts and Annual Governance Statement
- (b) The auditor's certificate and opinion
- (c) Any public interest report or other recommendation of the auditor.
- (d) A form of Notice of Conclusion of Annual Audit

We draw your attention to the following point(s).

- During our review of points raised to the auditor, it was noted that certain internal review policies and procedures were out of date due to changes in systems. Explanations provided lead us to conclude it is unlikely any matters have been improperly concluded by the council although there may have been practical difficulties in the ease and speed of the council's decision-making processes resulting from the need use 'hybrid' information.

As a result of the above and so we can be satisfied that the systems are now in place and working as intended we require the following:

- To be provided with a copy of the updated policies and procedures in relation to the financial management during the year and internal controls to be provided with the 2024 AGAR together with a copy of the minutes adopting those practices; and
- We would also like to see specific confirmation from the Internal Auditor that they have reviewed these policies as part of their work and are satisfied that they are being followed.

A Notice of Conclusion of Audit form is available, if required, on our website using the link here <https://www.moore.co.uk/sectors/public-sector/smaller-authorities>.



The notice must also state that an elector may inspect those documents at all reasonable times and without payment. The address and times when this inspection may be carried out must also be given.

Yours sincerely

A handwritten signature in cursive script that reads 'Moore'.

Moore

Encs.



Kendal Town Council
Town Hall
Kendal
Cumbria
LA9 4DL

Moore East Midlands
Oakley House
Headway Business Park
3 Saxon Way West
Corby, NN18 9EZ
T 01536 461900
Rutland House
Minerva Business Park
Lynch Wood
Peterborough, PE2 6PZ
T 01733 397300
www.moore.co.uk

Invoice No.: 322302
Date: 18 January 2024
Ref: 52421/979

Payment Terms: 30 Days
VAT Number: 120 4315 30

DESCRIPTION OF SERVICES

FEE

Fixed rate fee in relation to completing the 2022/23 External Auditor's limited assurance review.

1,365.00

Additional time spent requesting and reviewing information required after questions were raised to the auditor by an elector/ electors.

532.50

Net Fee

1,897.50

VAT @ 20.0%

379.50

Total Fee

£2,277.00

PAYMENT DETAILS

BACS payments to Barclays Bank, account no. 83808459, sort code: 20-67-40.

Please make cheques payable to Moore and send to Oakley House, 3 Saxon Way West, Corby NN18 9EZ

We also accept all major debit and credit cards.

Partners: Geoff Norman FCCA, Andy Hancock FCCA, Carolyn Rossiter FCA, Mohamed Mavani FCA, Matthew Grief CTA TEP, Nick Bairstow FCA, April Foster FCCA, John Harvey FCCA ACA, Jen Nixon FCCA MAAT, Tim Woodgates CTA FCCA, Michelle Watson FCCA. **Associates:** Paul Nash FCCA, Robert Pluck FCCA, Gemma Roger ACA, Simon Reid FCA, Amanda Etty FCA, Lorna Bloor FCCA, Hannah Sardeson FCCA. Registered to carry on audit work in the UK; regulated for a range of investment business activities; and licensed to carry out the reserved legal activity of non-contentious probate in England and Wales by the Institute of Chartered Accountants in England and Wales. An independent member firm of Moore Global Network Limited – members in principal cities throughout the world. This firm is not a partner or agent for any other Moore firm and is a separate partnership with offices in Corby, Peterborough and Northampton.

Kendal Town Council

Risk Assessment Review 2024

The council's audit and governance regime requires that it reviews its risk management procedures on a yearly basis. This assessment is to be next reviewed by the Audit, Grants and Charities Committee at its meeting in January 2024.

The format below follows a matrix developed by the Joint Practitioners Advisory Group (JPAG). Rather than overwhelm councillors with the minutiae of individual process-based risk assessments, it takes a much broader view of the concept of risk, and challenges the council to demonstrate that it is identifying and mitigating risk through its policies and procedures. It includes a list of areas where the Council is assisted in this challenge by its internal auditor. In this context the internal auditor plays the vital role of a critical friend.

Areas where we use insurance to help us manage risks

- The protection of physical assets
- The risk of damage to third party property or individuals as a consequence of the council providing services or amenities to the public
- Loss of cash through theft or dishonesty
- Legal liability as a consequence of asset ownership

Internal controls	Action by Kendal Town Council
Maintaining an up-to-date asset register	Asset register being continuously reviewed and updated. Also Retention and Disposal policy and valuation review of assets being undertaken
Fidelity guarantee	Insurance reviewed annually to ensure adequate provision
Regular maintenance arrangements for physical assets	Officers' workload monitored. Programme of work scheduled. Christmas lighting procedures under review. Allotment inspection and maintenance procedures monitored and new software enabled. Register and review of other physical assets ongoing.
Annual review of risk and adequacy of insurance cover by RFO and Audit Committee	Ensure risk is continually monitored by officers, and the process is overseen by the appropriate committee.
Ensure robustness of insurance provider	Monitor and take advice from CALC and others
Vehicle maintenance and insurance	Reviewed annually with regular inspections. Policy to be reviewed again Summer 2024.
Internal Audit Assurance	
Review internal controls by internal auditor and Audit Committee	Work with Internal Auditor to ensure compliance

Review management arrangements for insurance	Internal Auditor to cover
Spot test specific internal controls	Internal Auditor to cover. Audit Committee to scrutinise.

Areas where we can work with others to manage risk

Examples of Risk

- Security of vulnerable buildings, amenities or equipment
- Maintenance of vulnerable buildings, amenities or equipment
- Banking arrangements
- Ad hoc provision of amenities
- Quality assurance of Professional services

Internal Controls	Action by Kendal Town Council
Standing orders and financial regulations dealing with award of contracts and purchase of capital equipment	Standing Orders and Financial Regulations adopted specifying process. New Financial regulations adopted 2023. New model regulations expected 2024, which will require reviewing prior to adoption in 2025.
Regular reporting on performance by suppliers/providers/contractors	Identify suppliers and bring to council where necessary
Annual review of contracts	Appropriate committee to schedule in meetings where required
Clear statements of management responsibility for each service	Council is developing new roles for committees in line with Council Plan. Officer roles reviewed in 2023 and new plans being implemented.
Regular scrutiny of performance against targets	Review against new plan being implemented across all committees.
Adoption of and adherence to codes of practice for procurement and investment	Updated Financial regulations to be adopted. To be reviewed to ensure they match current best practice and statutory requirements.
Arrangements to detect and deter fraud and corruption	Reviewed in 2023 and new procedures for reconciliation introduced. Further work to be done.
Regular bank reconciliation, independently viewed	Reviewed in 2023 and new procedures for reconciliation introduced. Further work to be done.
Internal audit assurance	
Review of internal controls in place and their documentation	IA to report to appropriate committee

Areas where we can self-manage risk

Internal Controls	Action by Kendal Town Council
Regular scrutiny of financial records and proper arrangements for the approval of expenditure	Docusign system used with all payments reported to Full Council. Audit committee briefed to make deeper dives into process.
Recording in minutes the precise powers under which expenditure is being approved.	Reviewed in 2023 and still requires further implementation strategy
Regular returns to HMRC	Salary system subject to periodic checks with payroll supplier
Contracts for all staff, annually reviewed by the council	Whole suite of contracts reviewed by external HR consultants in 2023, overseen by Management Committee through Staffing Working group.
Systems for recording any relevant changes in legislation	Clerk reviews and reports to appropriate committee
Regular VAT analysis	Finance Officer oversees this. Reviewed at least every two years to ensure compliance with VAT Notice 749
Training of RFO and finance staff in VAT and taxation issues	Next tranche due with publication of latest Model Financial Regulations in 2024.
Regular budget monitoring statements	All Committees now review same-format budget monitor statements at every meeting.
Procedures for monitoring grants or loans made or received	Whole system reviewed in 2021. Ongoing improvements being implemented with single point of contact and clear terms of reference and follow up.
Minutes properly numbered and paginated with a master copy in safe keeping.	Master copy to be kept in locked metal cupboard. Reviewed 2022, with proper practices restored after premises changes and Covid. All processes now compliant.
Documented procedures to deal with enquiries from the public.	To be reviewed in Spring 2024, following staffing changes.
Documented procedures to deal with responses to consultation requests.	Included in changes to Committee Terms of Reference, so most consultations have Committee response
Monitoring arrangements for Local Councils Award scheme.	To be reviewed in 2024-25.
Documented procedures for document receipt, circulation handling and filing.	GDPR and document storage reviewed in 2023 in Meraki Audit. Needs implementation.
Procedures for recording and monitoring members' interests and gifts and hospitality.	Reviewed in 2021-22. To be reviewed again 2024.

Adoption of code of conduct for members	New Code and legislation reviewed 2021/22- 2022/23 and adopted as required. New Code used post LGR with no material changes.
Safe operating practices of staff/volunteers and participants in Events	Clerk to ensure proper risk management and training for all staff. Training to be reviewed continuously, at least annually. Records to be kept. Operational staff IOSH trained as appropriate. New H&S advisory service sought 2024.
Safe operating of events	Risk management policies to be implemented at outset. Officers trained to appropriate IOSH level.
Safe operating and maintenance of public spaces, including aspects of tree management and building management.	Staff to be trained to appropriate level. Regular inspection regime with records of inspections logged. Continuous improvement culture adopted, but system requires consistent reinforcement. New H&S advisory service sought 2024.
Safeguarding of young people and adults at risk who interact with the council	Safeguarding policies reviewed 2021 Appropriate training where required. Continuous review.
Safe working practices for staff inside and outside.	Regular assessments of working environment, fire and other risks, COSHH, effective PPE, lone working, work station safety, vehicle use, building safety. Risk assessment system in place for most activities. Dynamic risk assessment where appropriate. New H&S advisory service sought 2024.
Safe working in the context of Coronavirus or other pandemics	Regular and thorough review of government, PHE specialist sector and NHS guidelines for all activities. Adopt and adapt as required.
Internal Audit Assurance	
Review of internal controls in place and their documentation	IA to note and include in report to council
Review of minutes to ensure legal powers in place, recorded and correctly applied.	IA to note and include in report to council
Testing of income and expenditure from minutes to cashbook, from bank statements to cash book, from minutes to statements etc including petty cash transactions	IA to note and include in report to council
Review and testing of arrangements to prevent and detect fraud and corruption	IA to note and include in report to council

Testing of disclosures	IA to note and include in report to council
Testing of specific internal controls and reporting findings to management.	IA to note and include in report to council

19 January 2023

Kendal Town Council

Agenda Report

Committee: Audit	Meeting Date: 29 January 2024
From: Town Clerk	Agenda No: 11
Description: Financial Procedures	

The Committee is asked to review the list of financial procedures and suggest others to develop, as appropriate. Not all procedures are currently formalised, but it is the intention to create a single manual of procedures over the next 6-9 months.

1. Payments
2. Invoicing
3. Purchase ordering
4. Banking cheques and cash
5. Petty Cash
6. Cash Handling
7. Bank Reconciling
8. Bank signatures approval
9. Bank account management
10. Grants payments
11. Grants Applications
12. Reporting to Committees/Council
13. Budget Monitoring
14. Budget Setting
15. Medium Term Financial Planning
16. Setting precept
17. Budget reporting
18. Accruals
19. Multi year projects and budgeting
20. Virements
21. Reserve levels
22. Capital Reserve restrictions
23. Retention and disposal of assets
24. Setting allotment rent
25. Collecting allotment rent
26. Refunding allotment rent
27. Appeals relating to rent
28. Reviewing Mayoral allowances
29. Paying Mayoral allowances
30. Paying permanent staff
31. Paying casual staff
32. Paying contractors
33. Employee/councillor expenses

34. Receipts (from purchases)
35. Record keeping and security of records
36. GDPR compliance
37. Tax compliance
38. VAT monitoring of liabilities
39. VAT reclaiming
40. Seeking quotes, estimates and best value
41. Tendering
42. Holding accounts (in/out, third party)
43. Charity accounting and reporting
44. CIL Accounting and Reporting
45. Reporting gifts
46. AGAR timetable
47. AGAR completion
48. Public inspection
49. Councillor inspection
50. Freedom of Information
51. Risk assessment, including sufficient value assessments
52. Fidelity insurance levels
53. Insurance – general timetabling and process
54. Valuation for insurance
55. Stock management
56. Asset register – maintaining, updating, reporting
57. Legality and lawfulness of expenditure
58. S137 monitoring and reporting
59. Whistleblowing
60. Appeals relating to Financial transactions
61. Year end
62. Month end
63. Quarterly reporting