

KENDAL TOWN COUNCIL

Notice of Meeting

AUDIT, GRANTS & CHARITIES COMMITTEE

Monday 25th January 2021 at 7.30 p.m.
(Via Zoom)

Committee Membership (7 Members & 1 Vacancy)

Matt Severn (Chair)
Rachael Hogg
Graham Vincent

Julia Dunlop (Vice Chair)
Geoff Cook

Pat Gibson
Douglas Rathbone (Deputy Mayor)

AGENDA

1. 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. Please follow the specific guidelines for Zoom meetings distributed separately.

2. 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 the Local Government Act, 1972, s85.

3. DECLARATIONS OF INTEREST

To receive declarations by Members and/or co-optees of interests in respect of items on this Agenda

In accordance with the revised Code of Conduct, Members are required to declare any Disclosable Pecuniary Interests (DPIs) or Other Registrable interests (ORIs) which have not already been declared in the Council's Register of Interests. Members are reminded that it is a criminal offence not to declare a DPI, either in the Register or at the meeting. In the interests of clarity and transparency, Members may wish to declare any DPI which they have already declared in the Register, as well as any ORI.

4. MINUTES OF PREVIOUS MEETING

To receive the minutes from the meeting held on 26th October 2020 and affirm them as a true record (*see attached*).

5. REVIEW OF SPEND AGAINST BUDGET 2020/21 (9 MONTHS ENDED 31ST DECEMBER 2020) (*see attached*)

6. EXTERNAL AUDITOR REPORT AND CERTIFICATE (*see attached*)

7. GENERAL GRANT APPLICATIONS 2021/22 (*see report issued separately*)

To consider a report and applications from organisations for grant assistance for 2021/22.

- (a) South Lakeland Equality and Diversity Partnership (SLEDP) (A10)
- (b) The CPR Group (A17)
- (c) The Well Communities (A18)
- (d) Autus Cumbria (A19)

8. CCLA INVESTMENT

To receive a report and consider investing in the Local Authority Property Fund managed by CCLA (*see attached*).

KENDAL TOWN COUNCIL

9. **RISK ASSESSMENT REVIEW 2021** (*see attached*)
Yearly review of the Council's risk management procedures.
10. **ITEMS FOR THE NEWSLETTER**
 - Summer 2021 Edition – deadline 11th June, publication 19th July
 - Autumn/Winter 2021 Edition – deadline 17th September, publication 25th October
11. **DATE OF NEXT MEETING – MONDAY 26TH APRIL 2021 AT 7PM**

Chris Bagshaw
Town Clerk

By e-mail/post to: Members of the Committee
 All other Councillors (agenda only, for information)

Please note that only Committee Members will receive the minutes and attachments, but that other Councillors may request a copy of any agenda papers. Any Councillor who is not a Committee Member may still attend the meeting, as an observer.

Members of the Press and Public are welcome to attend the meeting.

KENDAL TOWN COUNCIL

Audit, Grants and Charities Committee

**Monday 26th October 2020 at 7.00 pm
(Via Zoom)**

- PRESENT** Councillors Matt Severn (Chair), Julia Dunlop (Vice Chair), Rachael Hogg, Geoff Cook and Douglas Rathbone (Deputy Mayor)
- Jason Rushworth, Newsquest
- APOLOGIES** None
- OFFICERS** Judith Lomax (Town Treasurer), Chris Bagshaw (Town Clerk) and Nicky King (Council Secretary)
- 366/20/21 PUBLIC PARTICIPATION**
- None.
- 367/20/21 DECLARATIONS OF INTEREST**
- None.
- 368/20/21 MINUTES OF THE MEETING HELD ON 27TH JULY 2020**
- The Chairman presented the minutes of the meeting held on 27th July 2020, which had been approved by full Council on 7th September 2020.
- Councillor Rathbone proposed that the minutes be accepted as a correct record. This was seconded by Councillor Cook and carried unanimously.
- RESOLVED** That the minutes of the meeting of the Committee held on 27th July 2020 be accepted as a correct record.
- MATTERS ARISING** (Not on Agenda)
- 369/20/21** None.
- 370/20/21 BUDGETARY CONTROL STATEMENT – SIX MONTHS ENDED 30TH SEPTEMBER 2020**
- The Budgetary Control Statement for the first half of the financial year was presented. The Treasurer advised that a Government Covid grant of £10k had been applied for and received. This will provide additional income for this financial year. There is no stipulation that its expenditure has to be Covid related.
- There is more budget remaining that would normally be expected at this point in the year due to the pandemic. Day to day running costs such as staff expenses etc are much as normal.

Councillor Dunlop proposed that the Budgetary Control Statement be approved. This was seconded by Councillor R Hogg and carried unanimously.

RESOLVED That the Budgetary Control Statement be approved

371/20/21 INVESTMENT POLICY

Members were asked to consider the report on the Investment Policy for 2021/22. It was highlighted that the Internal Auditors have repeated their recommendation on spreading investments in their report on the 2019/20 accounts. The Treasurer advised that she has been looking into alternative investment options to spread the risk. Historically £180,000 has been invested with the Cumberland Building Society in a three months' notice account due to the high interest rate offered. This interest rate has reduced over recent years and currently stands at 0.7%.

The Town Clerk explained about the Local Authority Mutual Investment Trust used by Workington Town Council for its investments. It is an Investment Fund in property which uses its own assets to invest and then gives a return on that property. The fund is available to Local Authorities and has been in existence since the 1940's. It is run by the Churches, Charities and Local Authorities (CCLA) which takes a small commission.

A general discussion ensued. Committee agreed to investigate the CCLA option further. Councillor Cook proposed the Treasurer and Town Clerk request a report and/or presentation from the CCLA and the matter be added to the agenda of the next meeting for further discussion. This was seconded by Councillor Rathbone and carried unanimously.

RESOLVED Treasurer and Town Clerk to request a report and/or presentation from the CCLA. Item to be added to the agenda of the next meeting.

372/20/21 2021/22 BUDGET

373/20/21 a) Budget Proposals

Committee considered the budget requirements for 2021/22. The Treasurer commented that grant applications received for the next financial year currently exceed this year's budget and Committee may wish to consider increasing the budget for next year. Following discussion Members agreed they were not minded to increase the budget due to current Covid related pressure on finances and taking into account the additional £10k Government Covid grant received.

Councillor Cook proposed the budget proposals be accepted without change. This was seconded by Councillor Dunlop and carried unanimously.

RESOLVED That the Budget Proposals for 2021/22 be accepted without change

374/20/21**b) Draft Reserves Policy 2021/22**

Committee considered the Draft Reserves Policy for 2021/22. The Treasurer highlighted that the Arts & Heritage Fund was credited with £8k last year following the sale of furniture.

Councillor Cook proposed that Council be recommended to approve the Draft Reserves Policy without amendment. This was seconded by Councillor Dunlop and carried unanimously.

RECOMMENDATION That Council approve the Draft Reserves Policy for 2021/22 without amendment.

375/20/21**GRANT APPLICATIONS 2021/22**

The Treasurer advised that £21,500 has already been allocated for the third year payment for the 3-year grants awarded in 2019/20. Further applications received to date total £27,450, giving a total of £48,950. The total budget available is £41,000.

Councillor Cook raised the matter of the additional £10k Government Covid grant and asked how its expenditure should be decided. The Town Clerk suggested Committee discuss the matter and agree a suggestion, whether this be making up shortfalls in the grants programme or some other way.

Councillor Dunlop asked whether there was a timeframe for when the grant money has to be spent. The Treasurer will check on this point. She also asked how much money was available from budget and this was confirmed as £19,500 (excluding the £10k grant).

At this point Councillor Severn declared an interest in the application from Manna House as his wife is employed by them.

Committee then proceeded to consider the applications and the following recommendations were made:

Growing Well - request for £500.

Councillor Cook proposed a grant of £500 be awarded. This was seconded by Councillor R Hogg and carried unanimously.

RECOMMENDATION That a grant of £500 be awarded.

Manna House - request for £5,000.

It was noted the request is almost double that of last year and was due to Covid related shortfall. Councillor Cook proposed a grant of £2,500 be awarded. Application to be earmarked for an additional amount of £2,500 from the £10,000 Government Covid grant. This was seconded by Councillor R Hogg and carried with 1 abstention.

Note: Councillor Severn took no part in the discussion for this application.

RECOMMENDATION That a grant of £2,500 be awarded. Application to be earmarked for an additional amount of £2,500 from the £10,000 Government Covid grant.

North West Air Ambulance Charity – request for £1,000.
Councillor Cook proposed a grant of £1,000 be awarded. This was seconded by Councillor Dunlop and carried unanimously.

RECOMMENDATION That a grant of £1,000 be awarded.

Great North Air Ambulance Service – request for £1,000
Councillor Cook proposed a grant of £1,000 be awarded. This was seconded by Councillor Dunlop and carried unanimously.

RECOMMENDATION That a grant of £1,000 be awarded.

South Lakeland Equality & Diversity Partnership – request for £150
Councillor Cook proposed deferment until later in the year. Councillor R Hogg proposed a grant of £100 be awarded as per last year. The proposal to defer was seconded by Councillor Rathbone and carried unanimously. Treasurer to liaise with the applicant.

RECOMMENDATION That the application be deferred.

1127 (Kendal) Squadron RAF Cadets – request for £1,500
Councillor Cook proposed a grant of £1,500 be awarded. Councillor R Hogg proposed a grant of £1,000 and this was seconded by Councillor Dunlop and carried unanimously.

RECOMMENDATION That a grant of £1,000 be awarded.

Kendal Windows on Art - request for £750
Councillor Cook proposed a grant of £750 be awarded. This was seconded by Councillor R Hogg and carried unanimously.

RECOMMENDATION That a grant of £750 be awarded.

Cumbria Alcohol and Drug Advisory Service – request for £5,850
Committee recommended that no grant be awarded due to the fact funding is requested towards a salary which is against normal KTC policy. Treasurer to liaise with the applicant to ensure they are aware of how applications are considered and ask if they have an alternative project they wish to apply for.

RECOMMENDATION That no grant be awarded due to the fact funding is requested towards a salary.

South Lakeland Hydrotherapy Trust – request for £3,000
Councillor Dunlop proposed a grant of £3,000 be awarded. This was seconded by Councillor R Hogg and carried unanimously.

RECOMMENDATION That a grant of £3,000 be awarded.

Fairoak Housing Association/Friends of Fairoak – request for £500
Councillor Cook proposed a grant of £500 be awarded. This was seconded by Councillor Dunlop and carried unanimously.

RECOMMENDATION That a grant of £500 be awarded.

Outside-In Cumbria – request for £5,000

Councillor Dunlop proposed a grant of £2,500 be awarded. Application to be earmarked for an additional amount of £2,500 from the £10,000 Government Covid grant. This was seconded by Councillor Cook and carried unanimously.

RECOMMENDATION That a grant of £2,500 be awarded. Application to be earmarked for an additional amount of £2,500 from the £10,000 Government Covid grant

Abbot Hall Bowling Club – request for £50

Councillor R Hogg proposed a grant of £50 be awarded. This was seconded by Councillor Dunlop and carried unanimously.

RECOMMENDATION That a grant of £50 be awarded.

Dance Ability – request for £100

Councillor Dunlop proposed a grant of £100 be awarded. This was seconded by Councillor R Hogg and carried unanimously.

RECOMMENDATION That a grant of £100 be awarded.

Kendal Lads and Girls Club – request for £600

Councillor R Hogg proposed a grant of £600 be awarded. This was seconded by Councillor Cook and carried unanimously.

RECOMMENDATION That a grant of £600 be awarded.

Lakeland Canoe Club – request for £2,450

Councillor Severn proposed a grant of £989 be awarded (the cost of 1 boat). This was seconded by Councillor Dunlop and carried unanimously.

RECOMMENDATION That a grant of £989 be awarded.

It was noted that following the award of grants agreed, a budget of £5,011 was available for the remainder of the year. The Treasurer commented that she had received a further application today for the best part of £5,000 and more were likely to be received.

Applications earmarked for an additional award from the £10,000 Government Covid grant were as follows:

Manna House – £2,500

1127 (Kendal) Squadron – £500

Outside-In – £2,500

376/20/21 ITEMS FOR THE NEWSLETTER

The Treasurer will contact grant recipients to request reports for inclusion in the newsletter.

377/20/21 DATE OF NEXT MEETING

January 2021 (to be advised).

The meeting closed at 8.27pm.

Summary of Information, Resolutions and Recommendations to Council

Min	Subject	Information/Resolution/Recommendation to Council	
370	Budgetary Control Statement	RES	That the Budgetary Control Statement be approved
371	Investment Policy	RES	Treasurer and Town Clerk to request a report and/or presentation from the CCLA. Item to be added to the agenda of the next meeting.
373	2021/22 Budget – Budget Proposals	RES	That the Budget Proposals for 2021/22 be accepted without change
374	2021/22 Budget – Draft Reserves Policy 2021/22	REC	That Council approve the Draft Reserves Policy for 2021/22 without amendment.
375	Grant Applications 2021/22	REC	<p>Growing Well – that a grant of £500 be awarded.</p> <p>Manna House – that a grant of £2,500 be awarded. Application to be earmarked for an additional amount of £2,500 from the £10,000 Government Covid grant.</p> <p>North West Air Ambulance Charity - that a grant of £1,000 be awarded.</p> <p>Great North Air Ambulance Service – that a grant of £1,000 be awarded.</p> <p>South Lakeland Equality & Diversity Partnership - that the application be deferred.</p> <p>1127 (Kendal) Squadron RAF Cadets - that a grant of £1,000 be awarded.</p> <p>Kendal Windows on Art - that a grant of £750 be awarded.</p> <p>Cumbria Alcohol and Drug Advisory Service - that no grant be awarded due to the fact funding is requested towards a salary.</p> <p>South Lakeland Hydrotherapy Trust - that a grant of £3,000 be awarded.</p> <p>Fairoak Housing Association/Friends of Fairoak - that a grant of £500 be awarded.</p>

		<p>Outside-In Cumbria - that a grant of £2,500 be awarded. Application to be earmarked for an additional amount of £2,500 from the £10,000 Government Covid grant.</p> <p>Abbot Hall Bowling Club - that a grant of £50 be awarded.</p> <p>Dance Ability - that a grant of £100 be awarded.</p> <p>Kendal Lads and Girls Club – that a grant of £600 be awarded.</p> <p>Lakeland Canoe Club - that a grant of £989 be awarded.</p> <p>Applications earmarked for an additional award from the £10,000 Government Covid grant as follows: Manna House – £2,500 1127 (Kendal) Squadron – £500 Outside-In – £2,500</p>
--	--	--

AUDIT, GRANTS & CHARITIES COMMITTEE

Monday 25 January 2021

Budgetary Control Statement - Nine months ended 31 December 2020

The Audit, Grants and Charities Committee is recommended to consider this report and forward its comments to full Council.

The Town Council is recommended to accept this report, taking account of any comments from the Committee.

1. Budgetary Control Statement

Appendix A

The attached budget statement shows actual income and expenditure to date compared to the expected portion of the 2020/21 budget to the end of December 2020. Underspendings, ie favourable variances, are shown as positive figures, with overspendings, ie unfavourable variances, shown as negative (bracketed) figures. Various restrictions and guidelines put in place by the Government since March 2020 have had an impact, particularly Mayoralty and Arts, as most functions have been either cancelled, downsized, or held on-line.

a) Income £10,010

The second half-year's precept has now been received; the Council has also received a government funded Covid-related grant of £10,000.

b) Direct Expenditure +£50,726

Councillors are asked to note the following:

Staff salaries – the budget allowed for additional resource to assist the part time Town Clerk, which was not used in the first half of the year. The Town Clerk left Kendal Town Council in June, and her replacement started with the Town Council in October 2020. Although the staffing line is under budget for the 9 months of the year under review, this variance will diminish over the last quarter to reflect the increase in contracted hours for the new Town Clerk;

Functions – Since the start of the pandemic, functions have either been cancelled or provided on a smaller scale than budgeted;

Miscellaneous – Miscellaneous costs include £1,829 advertising for the Town Clerk role, £220 for Covid Risk assessments to be produced, along with a monthly fee of £25 for "DocuSign", to allow Councillors to remotely approve and sign invoices and other documents during lockdown and social distancing.

There has been no use of the contingency provision in the first half of the year.

2. Balance Sheet

The Balance Sheet shows a snapshot of the Council's financial position as at 31 December 2020. The following points may be noted:

- The Investments balance of £456,546 comprises £180,000 in the Cumberland Building Society, £2,427 with Nat West and £274,119 in the Council's Barclays Bank Reserve Account.

Conclusion

The budgetary control statement indicates that expenditure to 31 December 2020 remains within the profiled budget for the year to date.

KENDAL TOWN COUNCIL					
BUDGETARY CONTROL STATEMENT: 9 MONTHS ENDED 31 DECEMBER 2020					
APPROVED BUDGET 2020/21	Heading	Budget to Date	Actual to Date	Reserve Entries	Favourable/ (Adverse) Variance
£		£	£	£	£
	INCOME				
	Precept:				
445,761	Council Tax	334,321	334,321		0
2,681	SLDC - Lighting	2,011	2,010		(1)
1,963	SLDC - Elections	1,963	1,963		0
450,405	Sub-Total	338,295	338,294	0	(1)
31,900	SLDC - Grant	23,924	23,925		1
	Other Income:				
1,935	Investment Interest	1,451	1,499		48
22,262	Allotment Rents	16,697	16,697		0
0	Community Infrastructure Levy	0	9,025	(9,025)	0
50	Miscellaneous	38	10,000	0	9,962
24,247	Sub-Total	18,186	37,221	(9,025)	10,010
506,552	TOTAL INCOME	380,405	399,440	(9,025)	10,010
	EXPENDITURE				
	Management:				
205,688	Staff Salaries & Expenses	154,266	137,164		17,102
(90,060)	Staff Recharges to Services	(67,545)	(67,556)		11
16,425	Premises	12,319	10,943		1,376
6,250	Supplies & Services	4,688	3,594		1,094
12,767	Audit, Subscriptions & Insurances	9,575	7,583		1,992
1,963	Elections	1,963	1,963		(0)
10,211	Newsletter	6,807	6,324		483
5,000	IT & Website	3,750	5,028		(1,278)
2,500	Miscellaneous	1,875	3,202		(1,327)
170,744	Sub-Total	127,698	108,245	0	19,453
	Mayoralty & Ceremonies:				
16,340	Staffing	12,255	12,255		0
5,150	Mayor's Allowance & Christmas Cards	5,150	5,091		59
800	Mayor's Travel	600	154		446
6,700	Functions	5,810	428		5,383
2,500	Twinning Expenses	1,875	0		1,875
31,490	Sub-Total	25,690	17,927	0	7,763
	Arts & Heritage:				
1,500	Exhibitions & Restoration of Heritage Items	0	0	0	0
2,000	Kendal Museum	2,000	2,000		0
3,500	Sub-Total	2,000	2,000	0	0
	Allotments:				
24,250	Staffing	18,188	18,195		(7)
11,485	General Expenses	8,614	8,880		(266)
0	Improvements & Developments	0	0		0
35,735	Sub-Total	26,802	27,075	0	(273)
	Bloom:				
18,420	Staffing	13,815	13,811		4
27,736	Floral Displays (incl. Community Projects)	17,000	16,410		590
1,700	Bloom Competitions	1,700	0		1,700
(500)	Receipts from Sponsors	(500)	0		(500)
47,356	Sub-Total	32,015	30,221	0	1,794
	Christmas Lights & Festivals:				
8,440	Staffing	6,330	6,330		0
17,000	Christmas Lights Displays	17,000	16,094		906
3,000	Christmas Lights Switch-On Event	3,000	1,995		1,005
35,000	Festival Grants	35,000	21,556		13,444
63,440	Sub-Total	61,330	45,975	0	15,355
	Environment:				
22,610	Staffing	16,958	16,965		(7)
500	Somervell Garden	375	0		375
0	Parks & Open Spaces Programme	0	0	0	0
23,110	Sub-Total	17,333	16,965	0	368
	Highways & Infrastructure:				
2,700	Infrastructure Maintenance	2,025	2,320		(295)
2,500	Litter Bin Emptying	1,875	1,170		705
3,500	New Infrastructure	2,625	721		1,904
2,681	Lighting - running costs	2,011	2,010		1
11,381	Sub-Total	8,536	6,221	0	2,315
41,000	General Grants	41,000	40,800		200
	Action Plan Schemes:				
60,750	Allocated Schemes	48,442	48,442		0
0	Action Plan Income	0	(9,142)	9,142	0
60,750	Sub-Total	48,442	39,300	9,142	0
5,000	Contingency	3,750	0		3,750
320	Wainwright Award	0	0		0
493,826	DIRECT EXPENDITURE	394,596	334,729	9,142	50,726

APPROVED BUDGET 2020/21	Heading	Budget to Date	Actual to Date	Reserve Entries	Favourable/ (Adverse) Variance
£		£	£	£	£
	CONTRIBUTIONS TO RESERVES:				
60,750	Development Fund	0	0		0
0	Development Fund External Income	0	9,142	(9,142)	0
1,110	Allotments Reserve	833	823		10
0	Arts & Heritage Reserve	0	0	0	0
5,000	Election Reserve	0	0		0
0	Community Infrastructure Levy Reserve	0	9,025	(9,025)	0
170	Wainwright Fund	0	0		0
67,030		833	18,989	(18,167)	11
	USE OF RESERVES:				
(60,750)	Development Fund: Allocated Schemes	(45,563)	(48,442)		2,879
0	Environment Reserve	0	0	0	0
0	Arts & Heritage Reserve	0	0	0	0
(1,963)	Election Reserve	(1,963)	(1,963)		0
(1,500)	Community Infrastructure Levy Reserve	(1,125)	0		(1,125)
(320)	Wainwright Fund	0	0		0
(64,533)		(48,651)	(50,405)	0	1,754
6,581	UNALLOCATED BUDGET	0	0		0
502,904	GROSS EXPENDITURE	346,778	303,313	(9,025)	52,490
3,648	INCREASE/(DECR) IN GENERAL FUND BALANCE	33,627	96,127	0	62,500
	GENERAL FUND BALANCE:				
54,012	Brought forward 1 April 2020	54,012	73,274	0	19,262
3,649	Increase/(decrease) in year	33,627	96,127	0	62,500
57,661	Balance carried forward	87,639	169,401	0	81,762

KENDAL TOWN COUNCIL
BALANCE SHEET AS AT 31 DECEMBER 2020

	£	£
Investments		456,545.98
Current assets		
Debtors	24,719.84	
Deposits	50.00	
Prepayments	5,410.02	
Cash at bank and in hand	<u>27,177.85</u>	
	57,357.71	
Current Liabilities		
Creditors	37,035.11	
Receipts in Advance	<u>129,032.99</u>	
	166,068.10	
Net Current Assets		(108,710.39)
		<u>347,835.59</u>
Represented by:		
Reserves		
General Fund		169,402.34
Development		56,494.95
Allotments		75,030.30
Arts & Heritage		12,888.38
Environment		142.85
Election		2,036.86
Community Infrastructure Levy		20,479.60
Wainwright		11,360.31
		<u>347,835.59</u>

KENDAL TOWN COUNCIL

FINANCIAL RESERVES AS AT 31 DECEMBER 2020

	General Fund	Development	Allotments	Arts & Heritage	Environment	Election	Community Infrastructure Levy	Wainwright	TOTAL
	£	£	£	£	£	£	£	£	£
Opening Balance at 1 April 2020	73,274.15	95,794.81	74,207.79	12,888.38	142.85	4,000.04	11,454.74	11,360.31	283,123.07
Add:									
Contributions to Reserves		9,141.91	822.51	0.00	0.00	0.00	9,024.86	0.00	18,989.28
Less:									
Use of Reserves		(48,441.77)	0.00	0.00	0.00	(1,963.18)	0.00	0.00	(50,404.95)
Add/(Less):									
Added to/(Used from) General Fund Working Balance	96,128.19								96,128.19
Balance at 31 December 2020	169,402.34	56,494.95	75,030.30	12,888.38	142.85	2,036.86	20,479.60	11,360.31	347,835.59

Section 3 – External Auditor Report and Certificate 2019/20

In respect of **KENDAL TOWN COUNCIL – CU0131**

1 Respective responsibilities of the body and the auditor

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 2020; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with guidance issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (see note below). Our work **does not** constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and **does not** provide the same level of assurance that such an audit would do.

2 External auditor report 2019/20

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

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

None

3 External auditor certificate 2019/20

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 2020.

External Auditor Name

PKF LITTLEJOHN LLP

External Auditor Signature

PKF Littlejohn LLP

Date

07/11/2020

* Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews for 2019/20 in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)

AUDIT, GRANTS & CHARITIES COMMITTEE

Monday 25 January 2021

CCLA Investment

To consider investing in the Local Authority Property Fund, managed by CCLA.

Background

The Committee considered this proposal at its last meeting, and requested further information. CCLA have provided this in the form of the attached reports, covering various aspects of their approaches to risk management, climate change and other governance issues.

Decision required

The Committee should make a recommendation to the Council on how it invests its reserves. Officers are of the opinion that CCLA represents a relatively low risk in return for a better growth rate than money in the bank. No investment can be considered to be risk free, and there is a cost associated with the investment which means the council will not cover the costs of its investment if it takes a short term view on the return rate. It is suggested the Committee consider an initial investment of £25K, and that the investment is intended for at least a duration of 7 years, though the Council should keep it under review. The RFO will update the Committee on the investment's performance at least twice per year.

The Local Authorities' Property Fund

Fund Fact Sheet – 30 September 2020

Investment objective

The Fund aims to provide investors with a high level of income and long-term capital appreciation.

Investment policy

The Fund is an actively managed, diversified portfolio of UK commercial property. It will principally invest in UK commercial properties, but may invest in other assets.

The Fund may invest a proportion of its assets in liquid instruments and cash in order to obtain appropriate levels of liquidity. Instruments used for this purpose may include cash and near cash equivalents, participation notes, UK real estate investment trusts, regulated or unregulated investment funds, and loan notes.

Target investors

The Fund is aimed at local authorities seeking exposure to UK commercial property for their long-term investments.

Independent Governance

The trustee is the Local Authorities' Mutual Investment Trust (LAMIT) a body controlled by members and officers appointed by the Local Government Association, the Convention of Scottish Local Authorities, the Northern Ireland Local Government Officers' Superannuation Committee and investors in the Fund.

Who can invest?

Any local authority in England, Wales, Scotland and Northern Ireland.

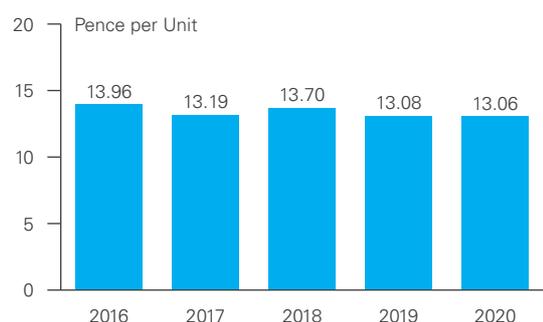
Income

Gross dividend yield	4.26%*
MSCI/AREF UK Other Balanced Quarterly Property Fund Index yield	3.46%**
Official Bank Rate	0.10%

* Based upon the net asset value and historic gross annual dividend of 12.0715p.

** As at 30 September 2020

Rolling 12 month distributions to 31st March:



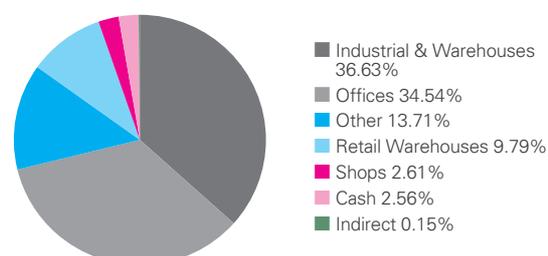
Fund update

Improved pricing stability and a modest increase in transaction volumes allowed the moratorium in dealing in the Funds units to be lifted and dealings resumed from the September dealing date. Capital values remained flat overall, but the position was not uniform across the sector. Once more retail asset values fell but there was improvement in parts of the office sector and retail assets continued to enjoy broad support. Transaction volumes stayed low and valuers continued to issue qualified valuation notices which resulted in the suspension of dealing in the Fund.

There were no acquisitions or disposals in the quarter, but it was a busy time for lease management activity. There were four substantial renewals completed the success of which reflected the demand for the Funds high quality assets in the industrials sector. Overall, the new agreements added c. £1m to overall income and also reduced the void rate, down to 8.5% including development voids of 2.9%. This compares to an industry average closer to 15%.

Conditions in the sector remain challenging but earlier fears of capital value weakness look overdone, this will be a down year but not to the extent feared when the pandemic first struck and overall economic activity fell away. Recent signs of improved stability have been encouraging and whilst it is important to avoid premature optimism, there are grounds for expecting a more positive environment in the new year.

Asset allocation at 30 September 20



The Fund has credit facilities which at quarter end were not utilised.

Discrete year total return performance

12 months to 30 September	2020	2019	2018	2017	2016
The Local Authorities' Property Fund	-2.80%	+4.46%	+7.64%	+9.36%	+2.93%
Comparator Benchmark*	-2.67%	+2.82%	+9.47%	+9.47%	+4.31%

Annualised total return performance

Performance to 30 September 2020	1 year	3 years	5 years
The Local Authorities' Property Fund	-2.80%	+3.00%	+4.23%
Comparator Benchmark	-2.67%	+3.09%	+4.58%

Net performance shown after management fees and other expenses. Comparator Benchmark – MSCI/AREF UK Other Balanced Quarterly Property Fund Index. Past performance is not a reliable indicator of future results. Source: CCLA

Top 10 property holdings at 30 September 20 – Total 35.01%

London, Beckton Retail Park	Elstree, Centennial Park
London, Palace House	Uxbridge, Stockley Park
London, Imperial House	Bristol, Kings Orchard
London, Goodman's Yard	Leeds, Park Row
Bracknell, Arlington Square West	Coventry, Torrington Avenue

Key facts

Total fund size	£1,156m
Current borrowing	£0m
Number of holdings	78
Income units	
Offer (buying) price	302.56p (xd)
Net asset value	283.43p (xd)
Bid (selling) price	279.04p (xd)
Launch date	18 April 1972
Unit types	Income
Minimum initial investment	£25,000
Minimum subsequent investment	£10,000
Dealing day	Month end valuation day*
Sedol & ISIN numbers	0521664, GB0005216642
Dividend payment dates	End January, April, July & October
Annual management charge (taken 100% from income)	0.64%
Fund management fee (FMF)	0.71% **
PRIIPs other ongoing costs	0.71% ***

Please Contact**Mark Davies**

Market Development
T: +44 (0)207 489 6045
M: +44 (0)7904 657 815
E: mark.davies@ccla.co.uk

Kelly Watson

Market Development
T: +44 (0)207 489 6105
M: +44 (0)7879 553 807
E: kelly.watson@ccla.co.uk

Jamie Charters

Market Development
T: +44 (0)207 489 6147
M: +44 (0)7468 560 680
E: jamie.charters@ccla.co.uk

* Dealing instructions for the purchase of units must be received by 5.00pm on the business day preceding the valuation date. If the valuation date is a bank holiday, the dealing day will be the previous working day. Whilst units are realisable on each monthly dealing date, all redemption requests are subject to a minimum notice period of 90 calendar days and will therefore be processed on the next available dealing day following expiry of the notice period.

** The FMF includes the Annual management charge and other costs and expenses of operating and administering the fund such as depositary, custody, audit and regulatory fees.

*** The PRIIPs other ongoing costs includes the FMF and where relevant, synthetic charges. Synthetic charges are the impact to the Fund of costs incurred in relevant underlying funds or similar investments. For more information on costs, refer to the Fund's Key Information Document.

Risk warning and disclosures

This document is a financial promotion and is issued for information purposes only. It does not constitute the provision of financial, investment or other professional advice. To ensure you understand whether our product is suitable, please read the Scheme Information and the risk factors identified therein. We strongly recommend you seek independent professional advice prior to investing. Past performance is not a reliable indicator of future results. The value of investments and the income derived from them may fall as well as rise. Investors may not get back the amount originally invested and may lose money. Any forward-looking statements are based upon our current opinions, expectations and projections. We undertake no obligations to update or revise these. Actual results could differ materially from those anticipated. Investment in the Fund is for Eligible Local Authorities only. Holders of the Fund are not covered by the Financial Services Compensation Scheme (FSCS). The Fund is an unauthorised Alternative Investment Fund and an Unregulated Collective Investment Scheme established under a Scheme approved by H M Treasury under Section 11 of the Trustee Investments Act 1961 and is subject to provisions of a Trust Deed dated 6 April 1972 and supplemental Trust Deeds dated 6 April 1972, 13 September 1978, 21 April 2016 and 23 September 2019. The Fund operates as an open-ended Fund under Part IV of the schedule to the Financial Services and Markets Act 2000 (Exemption) Order 2001. The company CCLA Fund Managers Limited (registered in England & Wales No. 8735639 at Senator House, 85 Queen Victoria Street, London, EC4V 4ET) is authorised and regulated by the Financial Conduct Authority and is the manager of the Local Authorities Property Fund. For information about how we obtain and use your personal data please see our Privacy Notice at <https://www.ccla.co.uk/our-policies/data-protection-privacy-notice>.

The Local Authorities' Property Fund
Prices and Dividend Yields



End of	Dec-20	Nov-20	Oct-20	Sep-20	Aug-20	Jul-20	Jun-20	May-20	Apr-20	Mar-20	Feb-20	Jan-20
Offer Price p	306.91	303.10	302.33	302.56	301.67	302.10	303.14	305.90	310.33	315.70	321.47	321.90
Net Asset Value p	287.50	283.94	283.22	283.43	282.60	283.00	283.97	286.55	290.71	295.74	301.14	301.55
Bid Price p	283.05	279.54	278.83	279.04	278.22	278.61	279.57	282.11	286.20	291.15	296.47	296.87
Dividend* on XD Date p	3.10			3.10			2.80			3.25		
Dividend* - Last 12 Months p	12.26	12.37	12.37	12.37	12.72	12.72	12.72	13.06	13.06	13.06	13.12	13.12
Dividend Yield on NAV %	4.27	4.36	4.37	4.37	4.50	4.49	4.48	4.56	4.49	4.42	4.36	4.35
Fund Size £m	1172.6	1158.0	1155.0	1155.8	1152.4	1154.1	1158.0	1168.6	1185.5	1206.0	1205.9	1206.8

* Please note this is provisional dividend

Risk Warning

Please remember that the value of units and the income from them can fall as well as rise and an investor may not get back the full amount invested. Past performance is no guarantee of future returns. The Property Fund's unit value will reflect fluctuations in property values and rents. The units are intended only for long-term investment and are not suitable for money liable to be spent in the near future. They are realisable only on each month end valuation date and a period of notice may be imposed for the redemption of units.

Source: CCLA

CCLA Fund Managers Limited

Senator House
85 Queen Victoria Street
London EC4V 4ET
Telephone: 0800 022 3505
www.ccla.co.uk

CCLA is Authorised & Regulated by the Financial Conduct Authority.

CCLA INVESTMENT MANAGEMENT LIMITED

PSDF(20)P19

**The Public Sector Deposit Fund Advisory Board
Environmental & Social Governance Paper**

* For Noting

1. **Context:** CCLA's Ethical and Responsible Investment Team monitor existing and potential PSDF Money Market Fund counterparties' management of environmental, social, and governance (ESG) risk on regular basis. Further action is taken when appropriate including restricting possible counterparties.
2. **Introduction:** CCLA integrates corporate governance factors into our investment across all asset classes including deposit fund counterparties. As part of our wider ESG integration project, together, the E&RI and Investment Team have developed a new process to integrate these issues. This includes a bespoke corporate governance rating and a revised approach to considering corporate governance as part of the investment process, training for investment team members on corporate governance matters, increased co-ordination on stewardship and effective portfolio monitoring. A similar but more qualitative approach has been taken to
3. **Governance Methodology - Listed Counterparties:** The CCLA governance rating is a quantitative tool that analyses companies' corporate governance. The model scores constituent by decile and allocated an A-F Rating and 'High-Low Risk' categorization.
4. The rating is based upon data provided by Credit Suisse Holt and MSCI and scores companies on their approach to:
 - a) **Capital Stewardship:** This acts as a proxy for management quality and is based upon the Holt Operational Quality Percentile which measures companies' track record of generating cash and managing growth. It is given a 15% weighting in the governance score.
 - b) **Accounting:** The accounting pillar provides an overview of the quality of a companies' accounting. It includes 5 Holt data items (Cash Flow Overall, Expense Recognition, Revenue Recognition, Special Item and Accounting Quality Overall) and one MSCI data item (Home Market Accounting Percentile). Each data item is broken down into quintiles and are weighted equally in providing the pillar score. The pillar is given a 15% weighting in the governance score
 - c) **Board Composition:** This tests the ability of the board to act effectively. It is based upon MSCI's assessment methodology and uses their 'Board Composition Home Market Percentile'. This ensures that we are testing companies against governance norms in their home market. The pillar has a 35% weight in the governance score.
 - d) **Ownership:** whether the ownership structure of a company has the ability to compromise value creation for minority shareholders. It uses an amended MSCI Global Market Ownership Percentile and receives a 35% weight in governance score.
5. These pillars provide each company with a total score which corrects for the number of data points that are available.
6. Finally, the model provides an opportunity to integrate the outcomes of stewardship. Companies are awarded points from negative 15 (for the worst engagement response) to positive 15 (the best response) at intervals of 5. These points are awarded by the E&RI and Equity teams collectively at their quarterly review of stewardship activity.
7. The model then aggregates the score, corrects for the number of data points available and calculates the companies' decile (both overall and on each pillar), overall rating (A-F) and Risk Category (Low, Medium, High).

8. Any counterparty with a High-Risk Rating requires E&RI Team review and approval from both the Chief Investment Officer and the Head of Ethical and Responsible Investment before it is can be considered approved.
9. Internal Approval: two counterparties which were previously approved are Graded E (high risk) and have been reviewed under the new process: **Credit Agricole SA** and **ABN Amro Bank NV**.
10. Each has a controlling shareholder which has resulted in a downgrading under the new system. A review has been prepared for each and an upgrade has been applied as the controlling entities are a national governance and a co-operative society, neither of which are consider controversial as controlling entities. These reviews have been agreed by both the Chief Investment Officer and the Head of Ethical & Responsible Investment.
11. A third counter party, **JPMorgan Chase (JPM)**, scores above the required minimum, but has previously received a high-risk rating. Previous engagement has focused on the need for a truly independent Lead Independent Director. During the year the incumbent announced his intention to retire from the post, though not the board. The board is yet to identify the new Lead Independent Director.
12. Due to previous internal audit failures and associated money laundering issues a point deduction has been applied to **Danske Bank**. As a result of the deduction the Bank is not considered an approved counter party.

13. FinCEN Files

14. Several counter parties have been named in the recent leaked FinCen file report, FinCEN is the US Financial Crimes Enforcement Network, a section of the US Treasury responsible for combating financial crime. Concerns about transactions made in US dollars need to be sent to FinCEN, even if they took place outside the US. We are currently reviewing our counter-parties exposure to the report and will formulate engagement strategies as appropriate.

15. Our approach to climate change

16. Climate change poses one of the greatest threats to our planet's environment and communities. Like all asset classes deposit fund counter parties are subject to CCLA's Climate Change policy. The E&RI team is currently expanding our monitoring counter parties' exposure to financing climate change. It is likely the approach will be based on Task Force on Climate-related Financial Disclosures (TCFD) reporting. TCFD is currently developing a voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers, and other stakeholders. As a member of the Powering Past Coal Alliance (PPCA), a coalition of national and sub-national governments, businesses and organisations working to advance the transition from coal power generation to clean energy, we are reviewing each counter-parties exposure to financing coal fired power stations.

17. Our approach to Social and Environmental issue

18. The Social and Environmental section of the review draws on our sustainability assessment which takes a qualitative approach, incorporating data from both MSCI and FTSE. This part of the process is qualitative due to the diverse nature of sustainability issues affecting different industries as well as the complex nature of such risks. Sustainability risks are considered through the lens of 'financial materiality'.
19. The severity of sustainability risks is assessed based on the likelihood and potential impact that the risks could have on the value and reputation of the company and are reviewed and agreed on an annual basis. Each of the underlying themes is award a 'high', 'medium' or 'low' risk profile. Where a counter party has a combination of high and medium risk both the Investment Team and E&RI agree an action plan. This may include any of the following:

- a) Discussion sustainability issues with the company and reconsider.
- b) Create an engagement action and review the progress regularly.
- c) Not proceeding with the company as a counter party.

20. **Methodology - Unlisted Counterparties:** Given the lack of supplier data for unlisted counterparties the number of criteria included within level one analysis has been expanded to include key factors considered within MSCI and FTSE's methodologies. This includes counterparties' environmental policy, approach to countering bribery, the separation of the roles of CEO/Chairman, the composition of key board committees, and assessing compliance against local market corporate governance norms. Level two criteria include social and environmental factors based upon CCLA client priorities. This includes each counterparties' approach to, providing finance to communities and SMEs, controlling environmental risk within lending and its approach to TCFD both in terms of support, reporting and target setting.

21. **Private Companies:** Landesbank Berlin remains restricted due to its poor ESG record and historic failure to respond to engagement.

Actions: the advisory board is asked to note the above approach to ESG integration within counterparties.

David Ellis
Governance and ESG Data Lead
22nd September 2020

The Public Sector Deposit Fund

UK domiciled short-term LVNAV Qualifying Money Market Fund rated AA+mmf
Fact Sheet – 30 November 2020

Investment objective

To maximise the current income consistent with the preservation of capital and liquidity.

Investment policy

The Fund will be invested in a diversified portfolio of high quality sterling denominated deposits and securities. All investments purchased will have the highest available short term credit rating and a correspondingly strong long term rating.

The weighted average maturity of the investments will not exceed 60 days. There will be no exposure to derivatives or to other collective investment schemes.

Target investors

The Fund is aimed at local authorities and public sector investors seeking a high level of capital security and a competitive rate of interest for their short-term investments.

Who can invest?

The Fund is open to all public sector investors.

Responsible investment policy

We monitor our counterparties' environmental, social and governance risk management on a regular basis. Our research utilises external data resources and our in-house Ethical and Responsible Investment Team.

Key risks

Investors should consider the following risk factors before investing: Issuer/Credit Risk (issuer/financial institution may not pay), Market Risk (investment value affected by market conditions), Operational Risk (general operational risks), Maturity Profile (timings of investment maturity), Liquidity Risk (investment in non-readily realisable assets), Concentration Risk (need for diversification and suitability of investment) and Interest Rate Risk (changes to interest rate affecting income). Please see the Fund Prospectus for further details.

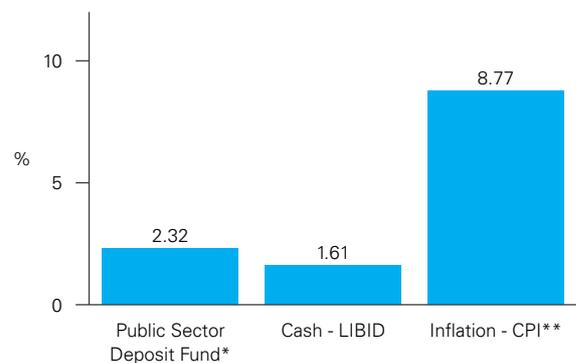
Top 10 counterparty exposures (%)

9.4%	Coventry Building Society
9.4%	Landesbank Baden-Wuerttemberg
9.4%	National Bank of Canada
7.5%	Royal Bank of Canada
7.3%	Nationwide Building Society
6.9%	DBS Bank Limited
6.9%	KBC Bank N.V.
6.9%	Rabobank
3.8%	NatWest Bank plc
3.5%	Lloyds Bank Corporate Markets plc

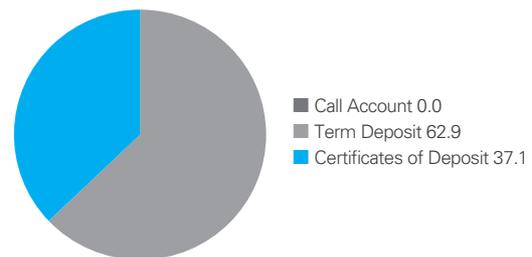
Share class 4 yield as at 30 November 2020

0.0564%

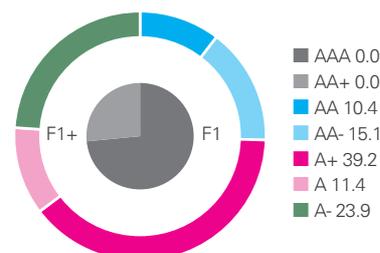
5 years cumulative performance



Asset type (%)



Credit rating† (%)



Top 10 country exposures (%)

35.5%	UK
17.0%	Canada
10.5%	Germany
8.3%	Netherlands
7.3%	Singapore
6.9%	Belgium
6.4%	Japan
2.9%	Sweden
2.3%	Finland
2.0%	Switzerland

*Source: CCLA - Net performance shown after management fees and other expenses with gross income reinvested. The yield on the Fund will fluctuate and past performance is not a reliable indicator of future results. Holders of the Fund are not covered by the Financial Services Compensation Scheme. **CPI is lagged one month. †Using Fitch Ratings methodology.

Average yield over the month	0.0595%
Yield at the month end	0.0564%

Discrete year total return performance

12 months to 30 November	2020	2019	2018	2017	2016
The Public Sector Deposit Fund	+0.36%	+0.75%	+0.54%	+0.23%	+0.42%
Benchmark	+0.12%	+0.58%	+0.44%	+0.13%	+0.29%
Relative	+0.24%	+0.17%	+0.10%	+0.10%	+0.13%

Annualised total return performance

Performance to 30 November	1 year	3 years	5 years
The Public Sector Deposit Fund	+0.36%	+0.55%	+0.46%
Benchmark	+0.12%	+0.38%	+0.31%
Relative	+0.24%	+0.17%	+0.15%

Net performance shown after management fees and other expenses with gross income reinvested. Benchmark – London Interbank Sterling 7 Day Bid Rate. Past performance is not a reliable indicator of future results. Source: CCLA

Market update

The UK economy grew by 15.5% in the third quarter, the most substantial quarterly expansion in the Office for National Statistics' records. However, the final quarter is expected to be one of reduced activity once again, due principally to the renewed national lock-down; a 2% decline in the period would leave the overall outcome for the year at -11.2%. Against this background, the Chancellor announced an additional spending programme equivalent to about 2% of GDP. Borrowings for the 2020/21 financial year are now projected to reach c £400bn, with £164bn forecast for the following period.

The Bank of England left interest rates unchanged but announced another tranche of quantitative easing, to a value of £150bn over the course of next year. This was larger than market expectations and is enough to fund the current monthly buying programme until the end of 2021 or to accelerate support should conditions worsen. Underlying inflationary pressures remain muted, but we could see a spike up in April as energy tariff increases hit householders at the same time as the temporary reduction in VAT within the hospitality industry ends. Finally with regards to unemployment, despite the extension of the job furlough scheme, unemployment is expected to continue to increase in the months ahead, perhaps reaching 6% by the year-end.

Key facts

Fund size	£1,445m
Credit quality and sensitivity rating by Fitch	AAAmmf
Weighted average maturity (Maximum 60 days)	52.44 days
Launch date	May 2011
Minimum initial investment	£25,000.00
Minimum subsequent investment	£5,000.00
Dealing day	Each business day*
Withdrawals	On demand
Domicile	United Kingdom
ISIN Share Class 4	GB00B3LDFH01
Interest payment dates	Monthly
Fund management fee (FMF)	0.10% ** (currently reduced to 0.08%)

*Dealing instructions must be received by 11.30 am.

**The FMF includes the annual management charge and other costs and expenses of operating and administering the fund such as depositary, custody, audit and regulatory fees.

Please Contact**Mark Davies**

Market Development
T: +44 (0)207 489 6045
M: +44 (0)7904 657 815
E: mark.davies@ccla.co.uk

Kelly Watson

Market Development
T: +44 (0)207 489 6105
M: +44 (0)7879 553 807
E: kelly.watson@ccla.co.uk

Jamie Charters

Market Development
T: +44 (0)207 489 6147
E: jamie.charters@ccla.co.uk

Risk warning and disclosures

This document is not a financial promotion and is issued for information purposes only. It does not constitute the provision of financial, investment or other professional advice. The market commentary contained in this document is the opinion of the author only. To ensure you understand whether CCLA's product is suitable, please read the Key Investor Information Document and the Prospectus. CCLA strongly recommends you seek independent professional advice prior to investing. The Public Sector Deposit Fund is a UK short-term LVNAV Qualifying Money Market Fund. In addition to the general risk factors outlined in the Prospectus investors should also note that purchase of PSDF shares is not the same as making a deposit with a bank or other deposit taking body and is not a guaranteed investment. Although it is intended to maintain a stable net asset value per share, there can be no assurance that it will be maintained. Notwithstanding the policy of investing in short-term instruments, the value of the PSDF may also be affected by fluctuations in interest rates. The PSDF does not rely on external support for guaranteeing the liquidity of the fund or stabilising the net asset value per share. The risk of loss of principal is borne by the shareholder. The Fund is authorised in the United Kingdom and regulated by the Financial Conduct Authority as a UCITS Scheme and is a Qualifying Money Market Fund. CCLA Investment Management Limited (registered in England & Wales No. 2183088 at Senator House, 85 Queen Victoria Street, London, EC4V 4ET) is authorised and regulated by the Financial Conduct Authority. For information about how we obtain and use your personal data please see our Privacy Notice at <https://www.ccla.co.uk/our-policies/data-protection-privacy-notice>.

Kendal Town Council

Risk Assessment Review 2021

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 2021.

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
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. Register and review of other physical assets ongoing.
Annual review of risk and adequacy of insurance cover by RFO and AGC 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
Vehicle maintenance and insurance	Reviewed annually with regular inspections. Policy to be reviewed again Autumn 2021.
Internal Audit Assurance	
Review internal controls by internal auditor and Audit, Grants and Charities Committee	Internal Auditor to cover
Review management arrangements for insurance	Internal Auditor to cover
Spot test specific internal controls	Internal Auditor to cover

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 under review 2021 in line with latest model. Keep under review.
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	Clerk to ensure. Policies to be reviewed in 2021
Regular scrutiny of performance against targets	Some existing processes in place, however whole process to be reviewed once coronavirus pandemic is past
Adoption of and adherence to codes of practice for procurement and investment	Financial regulations adopted. To be reviewed to ensure they match current best practice and statutory requirements.
Arrangements to detect and deter fraud and corruption	Review of payment, authorisation and reporting arrangements to be carried out 2021. IA to comment on process
Regular bank reconciliation, independently viewed	Appropriate committee oversees. Consider additional reconciliation observer 2021. IA to comment on process.
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	Systems altered during pandemic. System to be reviewed 2021.
Recording in minutes the precise powers under which expenditure is being approved.	System to be reviewed 2021

Regular returns to HMRC	Salary system subject to periodic checks with payroll supplier
Contracts for all staff, annually reviewed by the council	To be reviewed annually for changes from 2021. Report to appropriate committee.
Systems for recording any relevant changes in legislation	Clerk reviews and reports to appropriate committee
Regular VAT analysis	RFO oversees this. To be reviewed in 2021
Training of RFO and finance staff in VAT and taxation issues	To be reviewed in 2021
Regular budget monitoring statements	To be reviewed in 2021
Procedures for monitoring grants or loans made or received	Whole system to be reviewed in 2021
Minutes properly numbered and paginated with a master copy in safe keeping.	Master copy to be kept in locked metal cupboard. To be reviewed 2021.
Documented procedures to deal with enquiries from the public.	To be reviewed in 2021-22.
Documented procedures to deal with responses to consultation requests.	To be reviewed in 2021-22
Monitoring arrangements for Local Councils Award scheme.	To be reviewed in 2022-23
Documented procedures for document receipt, circulation handling and filing.	GDPR and document storage to be reviewed in 2022-23, after move to new offices.
Procedures for recording and monitoring members' interests and gifts and hospitality.	To be reviewed 2021-22
Adoption of code of conduct for members	Council reviewed and adopted revised Code in 2014. New Code and legislation to be reviewed 2021/22- 2022/23 as a required.
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 to be IOSH trained as appropriate by 2022.
Safe operating of events	Risk management policies to be implemented at outset. Officers to be 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. Policy to be reviewed 2021. Continuous improvement culture adopted.
Safeguarding of young people and adults at risk who interact with the council	Safeguarding policies to be 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.
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

18 January 2021