

# KENDAL TOWN COUNCIL

## Notice of Meeting

### AUDIT, GRANTS & CHARITIES COMMITTEE

**Monday 26 April 2021 at 7.30pm  
(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 25<sup>th</sup> January 2021 and affirm them as a true record (*see attached*).

### **5. REVIEW OF EFFECTIVENESS OF INTERNAL AUDIT**

This item will be held over until the July meeting.

### **6. ANNUAL REVIEW OF THE SYSTEM OF INTERNAL CONTROL AND ANNUAL GOVERNANCE STATEMENT (*attached*)**

To review the system of internal control and Annual Governance Statement required by the Audit, Governance and Accountability Report (AGAR).

### **7. FINANCE OUTTURN REPORT – YEAR ENDED 31 MARCH 2021 (*attached*)**

To review the Outturn Report for the year ended 31 March 2021.

### **8. ANNUAL ACCOUNTS 2020/21(*attached*)**

To review the annual accounts for the financial year 2020/21.

## KENDAL TOWN COUNCIL

**9. GENERAL GRANTS CRITERIA 2022/23**

This item will be reviewed at the meeting in July.

**10. INSURANCE**

To review the insurance provision for the Council, and make any necessary decisions.

**Background**

The Council's main insurer is Zurich Municipal has quoted £5,901.62 for the insurance cover for the coming year.

**11. STANDING ORDERS AND FINANCIAL REGULATIONS**

To establish a review process of the Council's Standing Orders and Financial Regulations to ensure they are current, compliant and appropriate.

**12. SCHOOLS OF SCIENCE AND ART CHARITY – 2020/21 ACCOUNTS AND 2021/22 FORECAST *(attached)***

To receive the accounts for 2020/21 and the forecast for 2021/22 for the school of Science and Art Charity.

Note that in considering this item, the council is acting as sole Trustee for the charity.

**13. ITEMS FOR THE NEWSLETTER**

- Summer 2021 Edition – deadline 11<sup>th</sup> June, publication 19<sup>th</sup> July
- Autumn/Winter 2021 Edition – deadline 17<sup>th</sup> September, publication 25<sup>th</sup> October

**14. DATE OF NEXT MEETING**

The Committee is scheduled to meet next on Monday 26 July 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.***

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

## KENDAL TOWN COUNCIL

### Audit, Grants and Charities Committee

**Monday 25<sup>th</sup> January 2021 at 7.30 pm  
(Via Zoom)**

- PRESENT** Councillors Matt Severn (Chair), Julia Dunlop (Vice Chair), Pat Gibson, Rachael Hogg, Geoff Cook and Graham Vincent
- Also in attendance: Jason Rushworth
- APOLOGIES** Councillor Douglas Rathbone
- OFFICERS** Judith Lomax (Town Treasurer), Chris Bagshaw (Town Clerk) and Nicky King (Council Secretary)
- 558/20/21 PUBLIC PARTICIPATION**
- None.
- 559/20/21 DECLARATIONS OF INTEREST**
- None.
- 560/20/21 MINUTES OF THE MEETING HELD ON 26<sup>TH</sup> OCTOBER 2020**
- The minutes of the meeting held on 26<sup>th</sup> October 2020 were presented, which had been approved by full Council on 23<sup>rd</sup> November 2020.
- Councillor Dunlop 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 26<sup>th</sup> October 2020 be accepted as a correct record.
- 561/20/21 BUDGETARY CONTROL STATEMENT – NINE MONTHS ENDED 31<sup>ST</sup> DECEMBER 2020**
- Members considered the Budgetary Control Statement for nine months ended 31<sup>st</sup> December 2020.
- Staffing expenditure of £16,958 under the Environment heading was queried. It was pointed out that the current method of presenting staffing expenditure did not necessarily attribute expenditure to particular items of work. The Town Clerk advised that Management Committee are discussing ways in which staffing costs could be better proportioned out and presented.
- The Town Clerk was asked to give consideration to the Wainwright Award for 2021.
- Councillor Vincent highlighted that there was no allocation for spend against Parks and Open Spaces Programme under Environment. He

referred to the Civic Society's project at Chancery Steps which he was keen to see progress, along with other projects. The Town Clerk advised that the proposed budget to be considered by Council next week included an element of funding which could be used towards the Chancery Steps project. Councillor Dunlop pointed out that this particular project was on hold pending flood defences work and could not proceed until that is in place.

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

**RESOLVED**

1. Town Clerk to give consideration to the Wainwright Award for 2021.
2. That the Budgetary Control Statement be approved.

**562/20/21****EXTERNAL AUDITOR REPORT AND CERTIFICATE**

Members received and noted the External Auditor Report and Certificate 2019/2020. The clean audit was welcomed and a vote of thanks extended to the Treasurer.

Councillor Cook proposed approval, this was seconded by Councillor Gibson and carried unanimously.

**RECOMMENDATION**

That the External Auditor Report and Certificate 2019/20 be approved.

**563/20/21****GENERAL GRANT APPLICATIONS 2021/22**

The Treasurer reported that grants to the value of £35,989 were approved following the October meeting of the Committee, leaving a balance of £5,011 in the grants budget for 2021/22. Members considered the following applications, which together amount to £17,310:

**(a) South Lakeland Equality and Diversity Partnership (SLEDP)**

Request for £150 to support the cost of speakers at Interfaith Week in November 2021. Councillor Cook proposed that the full amount be awarded. This was seconded by Councillor Dunlop and carried.

**(b) The CPR Group**

Request for £4,800 to fund a new initiative within secondary and primary schools that will help reduce the amount of lives lost through cardiac arrest through the donation of billboards and lifesaver keyrings. During a general discussion it was noted that the initiative was not just for residents of Kendal. The Chair queried whether any schools have expressed an interest in receiving these items and costings were questioned. Councillor Dunlop proposed that the application be declined. This was seconded by Councillor Gibson and carried unanimously.



**(c) The Well Communities**

Request for £10,000 to support a recovery housing project in Kendal for individuals and families facing complex problems. Councillor Vincent spoke in support of the organisation from previous experience of its work. He said the service they provide impacts strongly on protection from domestic abuse and stressful times and considered it would be significantly oversubscribed given the current pandemic. He proposed Committee supported the application. Councillor Gibson expressed her support for the work of the organisation also. Councillor Hogg raised a question regarding where the remainder of funding would come from and director salaries.

It was agreed to consider the fourth application prior to reaching a decision.

**(d) Autus Cumbria**

Request for £2,360 to run a social group in Kendal for adults aged 17-28 with an autistic spectrum syndrome. Councillors Hogg and Dunlop expressed support, commenting that the group would be a valuable resource.

Councillor Vincent proposed the remaining balance of £5,011, less £150 to be awarded to SLEDP, be awarded to The Well Communities. This was seconded by Councillor Gibson. Members voted on the motion with 2 in favour and 4 against.

Councillor Cook proposed an alternative motion to defer The Well Communities application for future consideration once further information had been provided regarding additional funding sources. This was seconded by Councillor Hogg. Members voted on the motion with 3 in favour and 3 against. The Chair had the casting vote and the motion was dismissed.

It was then proposed by the Chair that the remaining balance of £4,860 (£5,011 less £150 agreed for SLEDP) be distributed as follows:

£1,500 carried over for future applications  
£2,000 awarded to The Well Communities  
£1,360 awarded to Autus

This proposal was seconded by Councillor Dunlop and carried with 1 vote against the motion.

**RECOMMENDATION** That Council approve the award of grants for 2021/22 as follows:

- (a) SLEDP – grant of £150.
- (b) The CPR Group – application to be declined.
- (c) The Well Communities – grant of £2,000
- (d) Autus – grant of £1,360
- (e) Remaining £1,500 from budget to be carried over for future applications.

**564/20/21****CCLA INVESTMENT**

At its last meeting Committee considered investing in the Local Authority Property Fund, managed by CCLA, and requested further information. The Town Clerk presented a report for further consideration. He informed Members that a minimum investment of £25k from reserves is recommended for a period of approximately 7 years.

The Chair noted that 34% of the property fund is invested in office property and asked whether that is wise given the current climate and pandemic situation. Following a general discussion the Town Clerk suggested inviting the Market Development Consultant from CCLA to give a presentation and provide an opportunity for Councillors to raise any questions.

The Chair proposed the Town Clerk invite CCLA to give a presentation to all interested Councillors. This was seconded by Councillor Vincent and carried unanimously.

**RESOLVED**

Town Clerk to invite CCLA to give a presentation in respect of the Local Authorities' Property Fund to all interested Councillors.

**565/20/21****RISK ASSESSMENT REVIEW 2021**

The Town Clerk introduced the report on the Risk Assessment Review 2021. He explained that a different format has been adopted to previous, following a matrix developed by the Joint Practitioners Advisory Group. The matrix assumes there is a degree of risk management that is appropriate to the tasks undertaken by Officers.

Councillor Cook proposed that the report be accepted. This was seconded by Councillor Dunlop and carried unanimously.

Members agreed the new format offered a clearer approach and thanked the Town Clerk for his work in this respect.

**RECOMMENDATION**

That the report on the Risk Assessment Review 2021 be accepted.

**566/20/21****ITEMS FOR THE NEWSLETTER**

Next edition to feature grants agreed, including testimonials from organisations previously funded. Town Clerk to prepare.

**RESOLVED**

Town Clerk to prepare a feature relating to grants agreed, including testimonials from organisations previously funded

**567/20/21****DATE OF NEXT MEETING – MONDAY 26<sup>TH</sup> APRIL 2021 AT 7PM**

The meeting closed at 8.45pm.

**Summary of Information, Resolutions and Recommendations to Council**

<b>Min</b>	<b>Subject</b>	<b>Information/Resolution/Recommendation to Council</b>	
<b>561</b>	Budget Statement	<b>RES</b>	1. Town Clerk to give consideration to the Wainwright Award for 2021. 2. That the Budgetary Control Statement be approved.
<b>562</b>	External Auditor Report and Certificate	<b>REC</b>	That the External Auditor Report and Certificate 2019/20 be approved.
<b>563</b>	General Grant Applications 2021/22	<b>REC</b>	That Council approve the award of grants for 2021/22 as follows: (a) SLEDP – grant of £150. (b) The CPR Group – application to be declined. (c) The Well Communities – grant of £2,000 (d) Autus – grant of £1,360 (e) Remaining £1,500 from budget to be carried over for future applications.
<b>564</b>	CCLA Investment	<b>RES</b>	Town Clerk to invite CCLA to give a presentation in respect of the Local Authorities' Property Fund to all interested Councillors.
<b>565</b>	Risk Assessment Review 2021	<b>REC</b>	That the report on the Risk Assessment Review 2021 be accepted.
<b>566</b>	Items for the Newsletter	<b>RES</b>	Town Clerk to prepare a feature relating to grants agreed, including testimonials from organisations previously funded

# Annual Governance and Accountability Return 2020/21 Part 3

To be completed by Local Councils, Internal Drainage Boards and other Smaller Authorities\*:

- where the higher of gross income or gross expenditure exceeded £25,000 but did not exceed £6.5 million; or
- where the higher of gross income or gross expenditure was £25,000 or less but that:
  - are unable to certify themselves as exempt (fee payable); or
  - have requested a limited assurance review (fee payable)

## Guidance notes on completing Part 3 of the Annual Governance and Accountability Return 2020/21

1. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 **must** complete Part 3 of the Annual Governance and Accountability Return at the end of each financial year in accordance with *Proper Practices*.
2. **The Annual Governance and Accountability Return is made up of three parts, pages 3 to 6:**
  - The **Annual Internal Audit Report** must be completed by the authority's internal auditor.
  - **Sections 1 and 2** must be completed and approved by the authority.
  - **Section 3** is completed by the external auditor and will be returned to the authority.
3. The authority **must** approve Section 1, Annual Governance Statement, before approving Section 2, Accounting Statements, and both **must** be approved and published on the authority website/webpage **before 1 July 2021**.
4. An authority with either gross income or gross expenditure exceeding £25,000 or an authority with neither income nor expenditure exceeding £25,000, but which is unable to certify itself as exempt, or is requesting a limited assurance review, **must** return to the external auditor by email or post (not both) **no later than 30 June 2021**. Reminder letters will incur a charge of £40 +VAT:
  - the Annual Governance and Accountability Return Sections 1 and 2, together with
  - a bank reconciliation as at 31 March 2021
  - an explanation of any significant year on year variances in the accounting statements
  - notification of the commencement date of the period for the exercise of public rights
  - Annual Internal Audit Report 2020/21

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

Once the external auditor has completed the limited assurance review and is able to give an opinion, the Annual Governance and Accountability **Section 1, Section 2 and Section 3 – External Auditor Report and Certificate** will be returned to the authority by email or post.

## Publication Requirements

Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website/webpage:

Before 1 July 2021 authorities **must** publish:

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited;
- **Section 1 - Annual Governance Statement 2020/21**, approved and signed, page 4
- **Section 2 - Accounting Statements 2020/21**, approved and signed, page 5

Not later than 30 September 2021 authorities **must** publish:

- Notice of conclusion of audit
- **Section 3 - External Auditor Report and Certificate**
- **Sections 1 and 2 of AGAR** including any amendments as a result of the limited assurance review.

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

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

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



## Guidance notes on completing Part 3 of the Annual Governance and Accountability Return (AGAR) 2020/21

- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this AGAR. *Proper Practices* are found in the *Practitioners' Guide*\* which is updated from time to time and contains everything needed to prepare successfully for the financial year-end and the subsequent work by the external auditor.
- Make sure that the AGAR is complete (no highlighted boxes left empty), and is properly signed and dated. If the AGAR contains unapproved or unexplained amendments, it may be returned and additional costs will be incurred.
- The authority **should** receive and note the Annual Internal Audit Report before approving the Annual Governance Statement and the accounts.
- Use the checklist provided below to review the AGAR for completeness before returning it to the external auditor by email or post (not both) no later than 30 June 2021.
- The Annual Governance Statement (Section 1) must be approved on the same day or before the Accounting Statements (Section 2) and evidenced by the agenda or minute references.
- The Responsible Financial Officer (RFO) must certify the accounts (Section 2) before they are presented to the authority for approval. The authority must in this order; consider, approve and sign the accounts.
- The RFO is required to commence the public rights period as soon as practical after the date of the AGAR approval.
- Do not send the external auditor any information not specifically requested. However, **you must inform your external auditor about any change of Clerk, Responsible Financial Officer or Chairman, and provide relevant authority owned generic email addresses and telephone numbers.**
- Make sure that the copy of the bank reconciliation to be sent to your external auditor with the AGAR covers all the bank accounts. If the authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree the bank reconciliation to Box 8 on the accounting statements (**Section 2, page 5**). An explanation **must** be provided of any difference between Box 7 and Box 8. More help on bank reconciliation is available in the *Practitioners' Guide*\*.
- Explain fully significant variances in the accounting statements on **page 5**. Do not just send a copy of the detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete numerical and narrative analysis to support the full variance.
- If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or variances are not fully explained, additional costs may be incurred.
- Make sure that the accounting statements add up and that the balance carried forward from the previous year (Box 7 of 2020) equals the balance brought forward in the current year (Box 1 of 2021).
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the commencement date for the exercise of public rights of 30 consecutive working days which **must** include the first ten working days of July.
- The authority **must** publish on the authority website/webpage the information required by Regulation 15 (2), Accounts and Audit Regulations 2015, including the period for the exercise of public rights and the name and address of the external auditor **before 1 July 2021**.

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
All sections	Have all highlighted boxes have been completed?		
	Has all additional information requested, including <b>the dates set for the period for the exercise of public rights</b> , been provided for the external auditor?		
Internal Audit Report	Have all highlighted boxes been completed by the internal auditor and explanations provided?		
Section 1	For any statement to which the response is 'no', has an explanation been published?		
Section 2	Has the authority's approval of the accounting statements been confirmed by the signature of the Chairman of the approval meeting?		
	Has an explanation of significant variations from last year to this year been published?		
	Has the bank reconciliation as at <b>31 March 2021</b> been reconciled to Box 8?		
	Has an explanation of any difference between Box 7 and Box 8 been provided?		
Sections 1 and 2	Trust funds – have all disclosures been made if the authority as a body corporate is a sole managing trustee? <b>NB:</b> do not send trust accounting statements unless requested.		

\**Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices*, can be downloaded from [www.nalc.gov.uk](http://www.nalc.gov.uk) or from [www.ada.org.uk](http://www.ada.org.uk)



# Annual Internal Audit Report 2020/21

Kendal Town Council

ENTER PHONE NUMBER HERE  
www.kendaltowncouncil.gov.uk  
ENTER E-MAIL ADDRESS

During the financial year ended 31 March 2021, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2020/21 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.			
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.			
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.			
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.			
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.			
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.			
H. Asset and investments registers were complete and accurate and properly maintained.			
I. Periodic bank account reconciliations were properly carried out during the year.			
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.			
K. If the authority certified itself as exempt from a limited assurance review in 2019/20, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2019/20 AGAR tick "not covered")			
L. If the authority has an annual turnover not exceeding £25,000, it publishes information on a website/webpage up to date at the time of the internal audit in accordance with the Transparency code for smaller authorities.			
M. The authority, during the previous year (2019-20) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).			
N. The authority has complied with the publication requirements for 2019/20 AGAR (see AGAR Page 1 Guidance Notes).			
<b>O. (For local councils only)</b>			
Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable

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

Date(s) internal audit undertaken

Name of person who carried out the internal audit

DD/MM/YYYY DD/MM/YYYY DD/MM/YYYY

ENTER NAME OF INTERNAL AUDITOR

Signature of person who carried out the internal audit

SIGNATURE REQUIRED

Date

DD/MM/YYYY

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

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



## Section 1 – Annual Governance Statement 2020/21

We acknowledge as the members of:

ENTER NAME OF AUTHORITY

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2021, that:

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

\*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

04/05/21

and recorded as minute reference:

MINUTE REFERENCE

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

Chairman

SIGNATURE REQUIRED

Clerk

SIGNATURE REQUIRED

ENTER PUBLICLY AVAILABLE WEBSITE/WEBPAGE ADDRESS



# Section 2 – Accounting Statements 2020/21 for

ENTER NAME OF AUTHORITY

	Year ending		Notes and guidance
	31 March 2020 £	31 March 2021 £	
1. Balances brought forward	225,709	283,123	Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.  Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	409,628	450,405	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	68,353	74,882	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	173,925	181,853	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
5. (-) Loan interest/capital repayments	nil	nil	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	246,642	244,468	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	283,123	382,089	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	281,478	399,395	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – <b>To agree with bank reconciliation.</b>
9. Total fixed assets plus long term investments and assets	1,666,320	1,678,368	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	nil	nil	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.
	✓		N.B. The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2021 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

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

SIGNATURE REQUIRED

Date

26/04/21

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

04 05 21

as recorded in minute reference:

MINUTE REFERENCE

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

SIGNATURE REQUIRED



## Section 3 – External Auditor's Report and Certificate 2020/21

In respect of

ENTER NAME OF AUTHORITY

### 1 Respective responsibilities of the auditor and the authority

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 2021; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

### 2 External auditor's limited assurance opinion 2020/21

(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 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. (\*delete as appropriate).

(continue on a separate sheet if required)

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

(continue on a separate sheet if required)

### 3 External auditor certificate 2020/21

We certify/do not 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 2021.

\*We do not certify completion because:

External Auditor Name

ENTER NAME OF EXTERNAL AUDITOR

External Auditor Signature

SIGNATURE REQUIRED

Date

DD/MM/YY

# AUDIT GRANTS & CHARITIES

Monday 26 April 2021

## KENDAL TOWN COUNCIL

Tuesday 4 May 2021

### Finance Outturn Report – Year ended 31 March 2021

#### 1. Income & Expenditure Account

#### Appendix A

The attached statement shows actual income and expenditure for 2020/21 compared to the Approved Budget for the year; the previous year's outturn is also shown, for information only. The variance column indicates the under or overspending against the revised budget. In this report and the statement, underspendings, ie favourable variances, are shown as positive figures, with overspendings, ie adverse variances, as negatives or (bracketed).

During the financial year there were various measures implemented by the government intended to slow the spread of Covid-19, some of which had an effect on the activities of the Town Council.

#### a) Income +£18,735

Precept and grant income from SLDC was received in accordance with the budget, while there was a variance of £18,735 on other headings, as follows:

- Investment income was £333 lower than expected, as interest rates have fallen.
- Two instalments of Community Infrastructure Levy (CIL) were received in the year, totalling £9,025, which has been transferred to the earmarked reserve.
- The Town Council received a government grant for £10,000 due to the Covid-19 restrictions.

#### b) Gross Expenditure +£60,290

After transfers to and from reserves, gross expenditure recorded a net underspending of £60,290. The principal reasons for the net underspending are summarised below.

#### Management £28,722

- Staff Salaries currently show a £23,835 underspend against the profiled budget. The majority of the underspend was due to the Town Council being without a Clerk for some months between the former Clerk's departure and the new Clerk's arrival. In addition there had been a budget for extra resource which was not used in the financial year.
- The salaries heading is partially recharged to the budgets of other Committees, based on an analysis of staff time spent on their services.
- IT and Website shows an overspending of £2,155. This was due in part to a renewal of the IT contract part way through the financial year.

- Miscellaneous expenditure was over budget by £1,855. The majority of the overspend can be explained by recruitment costs relating to the Town Clerk role.

Mayoralty & Ceremonies +£9,465

- Expenditure on staffing was to budget.
- In this year of Covid-19 restrictions, the usual functions were cancelled, resulting in an underspend of over £6,000. The Committee voted to transfer £5,000 of this underspend to the Arts & Heritage Reserve.
- There were no twinning expenses in the year.

Allotments -£7

- Allotment expenditure was to budget.

Bloom +£9,172

- There were no Bloom competitions this year, and no sponsorship income was received.

Christmas Lights & Festivals +£13,678

- There was an underspend of £13,444 in Festival Grants in the financial year, due to many festivals being cancelled.

Highways & Infrastructure +£4,099

- To an extent the Committee's budgets are reactive, responding to identified maintenance or replacement of items. Further, the budget generally benefits from the availability of the Development Fund, which is able to finance schemes which would otherwise fall to be met from this heading.

General Grants +£200

- General Grants expenditure totalled £40,800 during the year.

Action Plan Schemes Expenditure +£38,312 Income +£12,342

- Details of Action Plan transactions are given in the statement at Appendix B. The statement shows the latest available revision of the Plan, with programmed expenditure of £216,345, rather than the Approved Budget of £106,550. There has been some slippage on projects this year, which will now run into next year.

Contingency +£5,000

- No items were met from the contingency provision as any unbudgeted expenditure is charged to the relevant service heading.

## **c) Contributions to and Use of Reserves**

For clarity, these headings list the contributions made to reserves in the year and the monies transferred from the same reserves to fund 2020/21 expenditure. The following transactions have not already been referred to above:

- Contributions of £1,114 and £170 have been made to the Allotments and Wainwright Funds respectively to reflect interest earned on investing these monies.
- A contribution of £5,000 has been made to the Election Reserve to bring it up to its target level at the year end.
- A contribution of £5,000 has been made to the Arts & Heritage reserve, using the underspend from the Mayoralty and Arts Committee.
- Finally, the £320 Wainwright Award was not given out in the financial year, hence there has been no use of the reserve.

#### **d) Use of the General Fund Balance**

- The Approved Budget assumed that the working balance would be increase by £6,581; there was an actual increase of £29,965.

## **2. Action Plan**

### **Appendix B**

A separate statement shows the detailed actual expenditure for the year on Action Plan schemes. As mentioned earlier, this is compared to the latest Plan programme rather than the Approved Budget. The programmed is entirely funded by the Development Fund: the closing balance of £146,449 in the Fund is fully committed or allocated to schemes which will incur expenditure in 2021/22 and subsequent years.

## **3. Reserves Statement**

### **Appendix C**

The Reserves Statement shows the transactions on individual funds and reserves for the financial year. Earmarked funds increased from £209,849 to £278,851 in the year.

The General Fund working balanced closed the year at £103,239.

## **4. Balance Sheet**

### **Appendix D**

Although the Balance Sheet as at 31 March 2021 is provided largely for information, the following points may be noted:

- The Debtors balance of £30,732 includes £28,113 VAT for several quarters, which will be reclaimed from HMRC.
- The Prepayments figure reflects payments in 2020/21 which are correctly chargeable to 2021/22, eg alarm rentals, van insurance and IT and Website costs.
- Allotment rent deposits of £3,340 are included in the Creditors and Accruals balance, as are accruals of £24,364 for goods and services received in 2020/21 which will not be paid for until 2021/22.
- The Receipts in Advance figure of £17,049 consists entirely of the portion of 2021 allotment rent income which relates to 2021/22.

## **5. Conclusion**

The outturn statement confirms that net expenditure for 2020/21, excluding expenditure on Action Plan projects, was contained well within budget. There were underspends in many departments, many relating to the effect of government mandated Covid-19 restrictions on the workings of the Town Council. The “underspend” on Action Plan projects was the result of slippage from the previous year. Reserves have increased, currently £382,089.

There are no concerns relating to the Council's Balance Sheet at 31 March 2021, and overall the Council remains in a sound financial position.

## **6. Recommendation**

### **Audit Grants and Charities Committee**

To consider this report and recommend acceptance to Full Council of:

- a) The Outturn Statement for 2020-21; and
- b) The individual contributions to and from Reserves as shown in the statement.

### **Kendal Town Council**

The report has been considered by the Audit, Grants and Charities Committee, which recommends its acceptance. The Town Council is therefore recommended to approve:

- c) The Outturn Statement for 2020-21; and
- d) The individual contributions to and from Reserves as shown in the statement.

KENDAL TOWN COUNCIL					
2020/21 OUTTURN STATEMENT					
INCOME & EXPENDITURE ACCOUNT					
2019/20 OUTTURN		2020/21 APPROVED BUDGET	HEADING	2020/21 ACTUAL OUTTURN	Favourable/ (Adverse) Variance
£		£		£	£
			<b>INCOME</b>		
			<b>Precept:</b>		
390,865.20		445,762	Council Tax	445,761.60	0
2,440.84		2,681	SLDC - Lighting	2,680.41	(0)
16,321.90		1,963	SLDC - Elections	1,963.18	0
409,627.94		450,406	Sub-Total	450,405.19	(0)
30,245.79		31,900	<b>SLDC - Grant</b>	31,899.81	0
			<b>Other Income:</b>		
4,117.98		1,935	Investment Interest	1,601.60	(333)
22,948.97		22,262	Allotment Rents	22,355.60	94
2,437.09		0	Community Infrastructure Levy	9,024.86	9,025
8,602.80		50	Miscellaneous	10,000.00	9,950
38,106.84		24,247	Sub-Total	42,982.06	18,735
<b>477,980.57</b>		<b>506,552</b>	<b>TOTAL INCOME</b>	<b>525,287.06</b>	<b>18,735</b>
			<b>EXPENDITURE</b>		
			<b>Management:</b>		
173,924.77		205,688	Staff Salaries & Expenses (including travel)	181,853.77	23,835
(84,995.00)		(90,060)	Staff Recharges to Services	(90,060.00)	0
16,253.89		16,425	Premises	15,763.87	661
5,105.46		6,250	Supplies & Services	2,547.96	3,702
10,351.72		12,767	Audit, Subscriptions & Insurances	11,676.83	1,090
16,321.89		1,963	Elections	1,963.18	0
9,002.84		10,211	Newsletter	6,736.98	3,474
6,230.58		5,000	IT & Website	7,154.60	(2,155)
3,657.79		2,500	Miscellaneous	4,385.42	(1,885)
155,853.94		170,745	Sub-Total	142,022.61	28,722
			<b>Mayoralty &amp; Ceremonies:</b>		
15,651.00		16,340	Staffing	16,340.00	0
5,119.95		5,150	Mayor's Allowance & Christmas Cards	5,091.00	59
391.75		800	Mayor's Travel	153.71	646
6,041.06		6,700	Functions	439.88	6,260
1,371.13		2,500	Twinning Expenses	0.00	2,500
28,574.89		31,490	Sub-Total	22,024.59	9,465
			<b>Arts &amp; Heritage:</b>		
0.00		0	Exhibitions	0.00	0
1,359.15		1,500	Restoration of Heritage Items	0.00	1,500
2,000.00		2,000	Kendal Museum	2,000.00	0
3,359.15		3,500	Sub-Total	2,000.00	1,500
			<b>Allotments:</b>		
20,043.00		24,250	Staffing	24,250.00	0
12,739.17		11,485	General Expenses	11,491.80	(7)
0.00		0	Improvements & Developments	0.00	0
32,782.17		35,735	Sub-Total	35,741.80	(7)
			<b>Bloom:</b>		
17,591.00		18,420	Staffing	18,420.00	0
20,204.84		27,736	Floral Displays (incl. Community Projects)	19,614.33	8,122
1,902.75		1,200	Bloom Competitions	150.00	1,050
(1,170.00)		0	Receipts from Sponsors	0.00	0
38,528.59		47,356	Sub-Total	38,184.33	9,172
			<b>Christmas Lights &amp; Festivals:</b>		
8,047.00		8,440	Staffing	8,440.00	0
16,420.11		17,000	Christmas Lights Displays	17,735.94	(736)
2,863.29		3,000	Christmas Lights Switch - On Event	2,030.00	970
29,557.39		35,000	Festival Grants	21,555.68	13,444
56,887.79		63,440	Sub-Total	49,761.62	13,678

2019/20 OUTTURN	2020/21 APPROVED BUDGET	HEADING	2020/21 ACTUAL OUTTURN	Favourable/ (Adverse) Variance
£	£		£	£
23,663.00	22,610	<b>Environment:</b>	22,610.00	0
0.00	500	Staffing	0.00	500
1,495.00	0	Somervell Garden	0.00	0
25,158.00	23,110	Parks & Open Spaces Programme	22,610.00	500
		Sub-Total	22,610.00	500
1,970.58	2,700	<b>Highways &amp; Infrastructure:</b>	2,319.56	380
1,328.60	2,500	Infrastructure Maintenance	1,560.00	940
2,402.92	3,500	Litter Bin Emptying	720.95	2,779
2,440.84	2,680	New Infrastructure	2,680.41	0
8,142.94	11,380	Lighting - running costs	7,280.92	4,099
		Sub-Total	7,280.92	4,099
31,983.00	41,000	<b>General Grants</b>	40,800.00	200
		<b>Other Grants (Covid)</b>	10,000.00	(10,000)
56,153.44	106,550	<b>Action Plan:</b>	68,237.63	38,312
(17,177.05)	0	Allocated Schemes	(12,341.91)	12,342
38,976.39	106,550	External Income	55,895.72	50,654
0.00	0	<b>Flooding Recovery</b>	0.00	0
0.00	5,000	<b>Contingency</b>	0.00	5,000
320.00	320	<b>Wainwright Award</b>	0.00	320
<b>420,566.86</b>	<b>539,625</b>	<b>DIRECT EXPENDITURE</b>	<b>426,321.59</b>	<b>123,304</b>
77,143.00	106,550	<b>CONTRIBUTIONS TO RESERVES:</b>	106,550.00	0
17,177.05	0	Development Fund - Support to Action Plan	12,341.91	(12,342)
0.00	0	Development Fund - External Income	0.00	0
8,602.80	2,000	Development Fund - Committee Underspendings	5,000.00	(3,000)
1,096.00	1,100	Arts & Heritage Reserve	1,114.00	(14)
10,321.89	5,000	Allotments Reserve	5,000.00	0
2,437.09	0	Election Reserve	9,024.86	(9,025)
172.00	170	Community Infrastructure Levy Reserve	170.00	0
116,949.83	114,820	Wainwright Fund	139,200.77	(24,381)
(56,153.44)	(106,550)	<b>USE OF RESERVES:</b>	(68,237.00)	(38,313)
(1,495.00)	0	Development Fund: Action Plan Expenditure	0.00	0
(1,359.15)	0	Environment Reserve	0.00	0
(16,321.89)	(1,963)	Arts & Heritage Reserve	(1,963.18)	0
(320.00)	(320)	Election Reserve	0.00	(320)
(75,649.48)	(108,833)	Wainwright Fund	(70,200.18)	(38,633)
<b>461,867.21</b>	<b>545,612</b>	<b>GROSS EXPENDITURE</b>	<b>495,322.18</b>	<b>60,290</b>
<b>16,113.36</b>	<b>(39,060)</b>	<b>Increase/(Decrease) in General Fund Balance</b>	<b>29,964.88</b>	<b>69,025</b>
<b>477,980.57</b>	<b>506,552</b>		<b>525,287.06</b>	<b>18,735</b>
<b>54,011.55</b>	<b>33,419</b>	<b>GENERAL FUND BALANCE:</b>	<b>73,274.15</b>	<b>39,855</b>
<b>16,113.36</b>	<b>6,581</b>	Brought forward 1 April	<b>29,964.88</b>	<b>23,384</b>
<b>70,124.91</b>	<b>40,000</b>	Increase/(decrease) in year	<b>103,239.03</b>	<b>63,239</b>
		Balance carried forward		

## Appendix B

KENDAL TOWN COUNCIL			
DEVELOPMENT FUND (ACTION PLAN) MONITORING: EXPENDITURE TO 31 March 2021			
		Latest Programme £	Actual 31 March 2021 £
<b>RESOURCES:</b>			
<b>Development Fund:</b>			
Opening Balance 1 April 2020		95,795	95,795
<b>Contributions from/(to) Revenue:</b>			
Budgeted Contribution		106,550	106,550
<b>External Income:</b>			
Kendal BID - Contribution to Leaflet Reprint		4,000	0
LIP Funding - Green Wall Project		10,000	0
SLDC - Contribution to CCTV camera - Gooseholme			0
PCC Cumbria - Contribution to CCTV camera - Gooseholme			0
Contributions/Donations re Citizens' Jury			12,342
<b>Resources for Year</b>		<b>216,345</b>	<b>214,687</b>
<b>LESS: EXPENDITURE ON PROJECTS:</b>			
	As at 1 April 2020 £	Latest Programme £	Actual 31 March 2021 £
<b>Action Plan for Kendal:</b>			
1 EH1a Green Wall Project	1,134	13,266	0
2 EH1b Leaflet Reprint	2,256	7,785	400
3 EH1c Signage Improvements	3,334	870	0
4 EH3 Strategic Transport Infrastructure Study	20,000	0	0
5 EH Yard Signage Enhancements (incl Woolpack Signage)	374	4,626	150
6 EH Support to Twenty's Plenty project - scoping & expert advice		12,000	7,703
<b>Kendal Futures Funding:</b>			
7 MG2 Support for Co-ordinator	0	7,750	7,750
8 MG4 Delivering the Action Plan	0	3,500	0
9 MG16 Kendal Destination Website (funded by Kendal Futures)	0	4,000	2,800
10 MG Kendal Vision Next Steps		5,000	5,000
11 MG Semi-permanent banners in Kirkland		2,000	2,000
12 MG Kendal Futures projects - photography		1,500	1,500
<b>Tourism Support in Kendal:</b>			
13 MG6 Support for Kendal TIC	10,000	5,000	0
<b>Green Spaces Improvement Projects:</b>			
14 EH9 Kendal Castle Environmental Improvements	23,767	233	0
15 EH9 Kendal Castle Directional Signage	2,185	2,815	0
16 EH Fletcher Park Fencing Enhancements (SLDC led)	500	1,500	0
17 EH Nobles Rest Entrance Improvement (Kendal Civic Society led)		5,000	0
18 EH Support Biodiversity Plans (fund E&H or support 3rd parties)		13,400	4,200
<b>Public Realm Improvement Projects:</b>			
19 CL2 Christmas Lights, Wildman Street	1,518	482	0
20 CL3 Building Flag & Tree holder maintenance and replacement (Christmas Plus)	916	1,084	361
21 EH Tree Planter Cladding	915	3,085	2,925
22 CL Annual Christmas Trees in Holders		3,000	0
23 KiB Increase Kendal in Bloom Community Budget by £2K	475	1,525	0
24 CL Christmas Lights update electrical connections		5,000	0
25 KiB KiB Entry to Britain in Bloom 2021 - sustainable planting		2,000	890
26 CL Easter Egg Trail		500	0
<b>Other Schemes:</b>			
27 MG9 Lancaster Canal Regeneration Partnership	500	250	0
28 MG12 Community Emergency Planning Group	5,000	10,000	0
29 AL1 Improve Boundary Wall/Fences, Greenside/Rinkfield Allotments	9,555	445	0
30 EH17 Blackhall Road Bus Shelters KADBUS scheme	21,379	121	0
31 MG Increase in Staffing Budget	2,530	17,470	0
32 EH New gates to Hallgarth Play Area (SLDC led)		3,000	3,000
33 EH Scoping working towards Kendal becoming Carbon Neutral (Citizens' Jury)		5,000	16,938
34 EH Right of way wall, Stonecross	760	(10)	0
35 MG IT Support & Furniture for KTC Office Move		5,000	3,100
36 EH Additional CCTV Camera for Gooseholme		4,000	9,521
37 MG Flood Relief Scheme Enhancements		35,000	0
38 MG Support for Future of K Shoes Heritage Collection		5,000	0
39 M&A Knights to Town Council booklet		1,000	0
40 Support to Springfield - Domestic Abuse		2,000	0
	<b>107,098</b>	<b>195,197</b>	<b>68,238</b>
<b>Resources: Balance carried forward</b>		<b>21,148</b>	<b>146,449</b>



## Appendix C

**KENDAL TOWN COUNCIL****2020/21 OUTTURN STATEMENT  
FINANCIAL RESERVES**

	Balance 1 April 2020	2019/20 Actual		Balance 31 March 2018
	£	Contribution to Reserve £	Use of Reserve £	£
<b>Earmarked Reserves:</b>				
<b>Development Fund</b>	95,794.81	118,891.91	(68,237.00)	<b>146,449.72</b>
<b>Allotments</b>	74,207.79	1,114.00	0.00	<b>75,321.79</b>
<b>Arts &amp; Heritage</b>	12,888.38	5,000.00	0.00	<b>17,888.38</b>
<b>Environment</b>	142.85	0.00	0.00	<b>142.85</b>
<b>Election</b>	4,000.04	5,000.00	(1,963.18)	<b>7,036.86</b>
<b>Community Infrastructure Levy</b>	11,454.74	9,024.86	0.00	<b>20,479.60</b>
<b>Wainwright</b>	11,360.31	170.00	0.00	<b>11,530.31</b>
<b>EARMARKED RESERVES</b>	<b><u>209,848.92</u></b>	<b><u>139,200.77</u></b>	<b><u>(70,200.18)</u></b>	<b><u>278,849.51</u></b>
<b>GENERAL FUND WORKING BALANCE</b>	<b><u>73,274.15</u></b>	<b><u>0.00</u></b>	<b><u>29,964.88</u></b>	<b><u>103,239.03</u></b>
<b>TOTAL RESERVES</b>	<b><u>283,123.07</u></b>	<b><u>139,200.77</u></b>	<b><u>(40,235.30)</u></b>	<b><u>382,088.54</u></b>

## Appendix D

**KENDAL TOWN COUNCIL**  
**2020/21 OUTTURN STATEMENT**  
**BALANCE SHEET AS AT 31 MARCH 2021**

	£	£
<b>Short Term Investments</b>		370,192.80
<b>Current assets</b>		
Debtors	30,731.91	
Deposits	50.00	
Prepayments	2,821.16	
Cash at bank and in hand	29,202.48	
	<u>62,805.55</u>	
<b>Current Liabilities</b>		
Creditors and Accruals	33,860.45	
Receipts in Advance	17,049.36	
	<u>50,909.81</u>	
<b>Net Current Assets</b>		11,895.74
		<u><u><b>382,088.54</b></u></u>
<b>Represented by:</b>		
<b>Earmarked Reserves</b>		
Development Fund		146,449.72
Allotments		75,321.79
Arts & Heritage		17,888.38
Environment		142.85
Election		7,036.86
Community Infrastructure Levy		20,479.60
Wainwright		11,530.31
		<u>278,849.51</u>
<b>General Fund Working Balance</b>		103,239.03
<b>Total Reserves</b>		<u><u><b>382,088.54</b></u></u>

# **KENDAL TOWN COUNCIL**

## **AUDIT, GRANTS & CHARITIES COMMITTEE**

**Monday 26 April 2021**

# **KENDAL TOWN COUNCIL**

**Tuesday 4 May 2021**

## **Annual Accounts 2020/21**

### **1. Introduction**

This report presents the 2020/21 Annual Accounts, and the accompanying statements, for the Committee's review prior to seeking Council's approval. It seeks to explain the Accounts and, where appropriate, the reasons for significant variations from the 2019/20 figures. The Accounts are to be audited by our Internal Auditors; any initial observations from the process will be reported to your meeting.

### **2. The Accounting Statements**

The following statements for the financial year 2020/21 are attached:

- Income & Expenditure Account
- Balance Sheet
- Reserves Statement
- Annual Governance and Accountability Return (AGAR): Section 2 – Accounting Statements.

### **3. Income & Expenditure Account**

Income for the year totalled £525,287, which was £98,965 more than the total expenditure of £426,322. The difference has been added to reserves and the General Fund working balance.

#### **a) Income**

Total income for the year increased by £47,306 from its 2019/20 total, due to the following factors:

- An increase in the Town Council's council tax produced an additional £40,777 in the precept income, while the council tax grant increased by £1,654, both from SLDC;
- Interest rates on the Town Council's investments were lowered during the period, and interest income decreased slightly to £1,602 from £4,118 in 2019/20;
- Allotment rent income remained stable;
- Community Infrastructure Levy income increased year on year, with receipts of £9,025 in the year compared to £2,437 in 2019/20; and

- A one-off government grant of £10,000 was provided by SLDC relating to the Covid-19 pandemic.

## b) Expenditure

The total expenditure of £426,322 for the year was £5,755 higher than that for the previous year. The following variations should be noted:

### Staffing

Employee costs increased by £7,929 to £181,854 compared with £173,925 for the previous year.

In line with previous years, charges of £90,060 have been made to the following services to better reflect the true cost of the various activities undertaken by the Town Council:

	£
Mayoralty & Arts	16,340
Allotments	24,250
Bloom	18,420
Christmas Lights & Festivals	8,440
Environment & Highways	22,610
	<hr/>
	90,060

The remaining staff time is spent on general management and administration.

### Elections

Election costs of £1,963 were charged to the 2020/21 accounts, compared to a charge of £16,322 in 2019/20.

### Civic Functions

Normal annual Civic functions were not held in 2020/21 due to government restrictions relating to the Covid 19 pandemic. Costs relating to functions were £440, compared to £6,041 in 2019/20.

### Twinning

There were no costs relating to twinning in 2020/21, compared with £1,371 in the previous year.

### Allotments

In line with the budget 2020/21, staff recharges increased by £4,207, which is explained by an amendment in the method of splitting costs between departments. General expenses reduced by £1,247.

### Bloom Activities

Costs relating to Bloom activities remained stable in 2020/21. The main costs relate to staffing - £24,250, and floral displays - £19,614. There were no Bloom competition costs in 2020/21, nor any competition sponsorship income.

### Christmas Lights

Overall, there was a small increase of £876 on this heading. The larger Switch-on event of previous years was replaced by a smaller event and funds were diverted to the making of a short Christmas Switch-on film.

### Environment & Highways

Expenditure on these services decreased by £3,411.

### Festival Grants

Festival Grants decreased by £8,000, due to the cancellation of some festivals during Covid-19 pandemic restrictions.

### Action Plan Schemes

In 2020/21, there was expenditure of £55,896 on Action Plan Schemes, after income of £12,342 was taken into account; compared with 2019/20 expenditure of £56,153, with income of £17,177.

Details of the 2020/21 expenditure on individual schemes can be found in the outturn report.

## **4. Balance Sheet at 31 March 2021**

### **Short Term Investments**

The Council's main investments are £180,000 with the Cumberland Building Society and £187,766 in the Barclays Bank Business Reserve Account; the latter figure varies on a day to day basis as transactions pass through the current account. A small balance of £2,427 is still in a Reserve Account with the NatWest Bank. Overall, there is a net increase from last year as less funds have been used to pay for Action Plan schemes

### **Debtors**

This balance, £30,731.91, includes £29,959 to be claimed from HMRC in respect of VAT incurred on purchases since the final quarter of 2019/20.

### **Prepayments**

The items in the account include the contract agreement for the alarm system, IT licences and the insurance and road fund licence for the Council van.

### **Cash at Bank and In Hand**

The Current Account balance at Barclays £29,187. This Barclays account has a target level of £25,000.

## **Creditors and Accruals**

Invoices totalling £24,364 for goods and service received in March 2021 were not paid until April; the accrual reflects the timing of payments. This heading also includes Allotment deposits of £3,340.

## **Receipts in Advance**

This heading comprises the 2020 Allotment rents of £17,049 received for the period April to December 2021.

## **5. Reserves Statement**

This statement shows the movement on each of the seven earmarked reserves during the year and that for the General Fund working balance. Taken together, the balance on these reserves increased from £283,124 at 31 March 2020 to £382,088 at 31 March 2020. This increase of £98,964 is a direct result of the surplus of income over expenditure referred to at the start of this report, which relates to this year's expenditure on non-recurring Action Plan schemes, along with reduced expenditure relating to Covid 19 pandemic restrictions.

## **6. Annual Governance and Accountability Return (AGAR) – Section 2: Accounting Statements**

The Return is in the standard format required for submission to the External Auditor. The figures on this statement are broad summaries of those appearing on the Income & Expenditure Account and the Balance Sheet. The Assets figure in box 9 has been updated for new acquisitions during the year.

## **7. Approval and Audit of the AGAR and Exercise of Public Rights**

The Accounts must be signed by the Treasurer as Responsible Financial Officer before being approved by the whole Council on 4 May, which has to take place after approval of the Annual Governance Statement (AGS). New guidance suggests that the AGS should not be approved until the Internal Auditors, R F Miller, have completed their review of the financial year. It is not clear whether the firm will be able to meet this timescale, but they have been asked to give at least an informal indication of the outcome.

The AGAR must be approved and published by 1 July 2021 at the latest.

The AGAR comprises the AGS, the Accounts and the Internal Auditor's report. The full AGAR has to be submitted to PKF Littlejohn by the deadline. After their sign-off, the audited Return must be published on the Council's website by 30 September 2021.

## **8. Recommendations**

### **Audit, Grants and Charities**

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

## **Council**

The Town Council is recommended to:

- a) Receive this report;
- b) Approve the Annual Accounts and the Accounting Statements 2020/21 (Section 2 of the AGAR); and
- c) Authorise the Mayor to sign the AGAR on your behalf prior to its submission by the Treasurer to the External Auditor.

# KENDAL TOWN COUNCIL

## 2020/21 Accounts

### Income and Expenditure Account

	2020/21		2019/20	
	£	£	£	£
<b>Income</b>				
Council Tax Precept		450,405.19		409,627.94
SLDC Council Tax Grant		31,899.81		30,245.79
Interest on Investments	1,601.60		4,117.98	
Allotment Rents	22,355.60		22,948.97	
Community Infrastructure Levy	9,024.86		2,437.09	
Miscellaneous	10,000.00	42,982.06	8,602.80	38,106.84
<b>Total Income</b>		<b>525,287.06</b>		<b>477,980.57</b>
<b>Expenditure</b>				
<b>General Administration</b>				
Staff Salaries & Expenses	181,853.77		173,924.77	
Staff Recharges to Services	(90,060.00)		(84,995.00)	
Premises	15,763.87		16,253.89	
Supplies & Services	2,547.96		5,105.46	
Audit, Subscriptions & Insurance	11,676.83		10,351.72	
Elections	1,963.18		16,321.89	
Newsletter, IT & Website	13,891.58		15,233.42	
Miscellaneous	4,385.42	142,022.61	3,657.79	155,853.94
<b>Civic Functions</b>				
Staffing	16,340.00		15,651.00	
Mayor's Allowance	5,091.00		5,119.95	
Mayor's Travel	153.71		391.75	
Functions	439.88		6,041.06	
Twining Expenses	0.00	22,024.59	1,371.13	28,574.89
<b>Arts &amp; Heritage</b>				
Restoration of Heritage Items	0.00		1,359.15	
Exhibitions	0.00		0.00	
Kendal Museum	2,000.00	2,000.00	2,000.00	3,359.15
<b>Allotments</b>				
Staffing	24,250.00		20,043.00	
General Expenses	11,491.80	35,741.80	12,739.17	32,782.17
<b>Kendal Improvement Schemes</b>				
Bloom Activities	38,184.33		38,528.59	
Christmas Lights	28,205.94		27,330.40	
Environment & Highways	29,890.92		33,300.94	
General Grants	40,800.00		31,983.00	
Festival Grants	21,555.68		29,557.39	
Other Grants	10,000.00			
Action Plan Schemes	55,895.72		38,976.39	
Flooding Recovery	0.00	224,532.59	0.00	199,676.71
<b>Wainwright Award</b>		0.00		320.00
<b>Total Expenditure</b>		<b>426,321.59</b>		<b>420,566.86</b>
<b>Surplus/(Deficit) of Income over Expenditure added to/ (taken from) General Fund Working Balance and Reserves</b>		<b>98,965.47</b>		<b>57,413.71</b>



# KENDAL TOWN COUNCIL

## 2020/21 Accounts

### Balance Sheet as at 31 March 2021

	2021		2020	
	£	£	£	£
<b>Short Term Investments</b>		<b>370,192.80</b>		<b>293,909.59</b>
<b>Current assets</b>				
Debtors	30,731.91		7,417.06	
Deposits	50.00		50.00	
Prepayments	2,821.16		3,394.45	
Cash at bank and in hand	<u>29,202.48</u>		<u>27,031.50</u>	
		<b>62,805.55</b>		<b>37,893.01</b>
<b>Current Liabilities</b>				
Creditors and Accruals	(33,860.45)		(32,509.28)	
Receipts in Advance	<u>(17,049.36)</u>		<u>(16,170.25)</u>	
		<b>(50,909.81)</b>		<b>(48,679.53)</b>
<b>Net Assets</b>		<u><b>382,088.54</b></u>		<u><b>283,123.07</b></u>
<b>Represented by:</b>				
<b>Reserves</b>				
Development Fund	146,449.09		95,794.81	
Allotments	75,303.79		74,207.79	
Arts & Heritage	17,888.38		12,888.38	
Environment	142.85		142.85	
Election	7,036.86		4,000.04	
Community Infrastructure Levy	20,479.60		11,454.74	
Wainwright	<u>11,532.31</u>		<u>11,360.31</u>	
	<b>278,832.88</b>		<b>209,848.92</b>	
<b>General Fund Working Balance</b>		<b>103,255.66</b>		<b>73,274.15</b>
		<u><b>382,088.54</b></u>		<u><b>283,123.07</b></u>

I certify that, for the year ended 31 March 2021, these Accounts present fairly the financial position of Kendal Town Council and its income and expenditure

..... Town Treasurer Date

**Approved by the Town Council on 4 May 2021**

..... Mayor Date

# KENDAL TOWN COUNCIL

## 2020/21 Accounts

### Financial Reserves

	Balance 1 April 2020	2019/20 Transactions		Balance 31 March 2021
	£	Contribution to Reserve £	Use of Reserve £	£
Development Fund	95,794.81	118,891.91	(68,237.63)	146,449.09
Allotments	74,207.79	1,096.00	0.00	75,303.79
Arts & Heritage	12,888.38	5,000.00	0.00	17,888.38
Environment	142.85	0.00	0.00	142.85
Election	4,000.04	5,000.00	(1,963.18)	7,036.86
Community Infrastructure Levy	11,454.74	9,024.86	0.00	20,479.60
Wainwright	11,360.31	172.00	0.00	11,532.31
<b>EARMARKED RESERVES</b>	<b>209,848.92</b>	<b>139,184.77</b>	<b>(70,200.81)</b>	<b>278,832.88</b>
<b>GENERAL FUND WORKING BALANCE</b>	<b>73,274.15</b>	<b>29,981.51</b>	<b>0.00</b>	<b>103,255.66</b>
<b>TOTAL RESERVES</b>	<b>283,123.07</b>	<b>169,166.28</b>	<b>(70,200.81)</b>	<b>382,088.54</b>

## **TRUSTEES OF THE SCHOOLS OF SCIENCE AND ART CHARITY**

**Monday 4 May 2021**

### **Schools of Science and Art Charity**

#### **a) Introduction**

1. This report presents the Schools of Science and Arts' summarised Receipts and Payments Accounts for the year ended 31 March 2021, so that the Committee can review the Charity's financial position prior to it being reported to the Trustees.

#### **b) 2020/21 Accounts**

2. The Charity closed the year with accumulated funds of £15,807, of which £8,992 is invested on a long term basis in Charibond fixed interest shares.
3. Due to the Covid-19 pandemic, there was no activity this year with the Charity, and therefore there is no expenditure to report.
4. Income from investments totalled £292 for the year.

#### **c) 2020/21 Forecast**

5. Unlike many charities, the Schools of Science and Art Charity does not have a fixed capital "in perpetuity". However, the Council has previously considered that the Charity's capital should remain intact and only interest and investment income used to provide resources for grants.
6. The capital value on which the annual income is generated is £13,360. Income for 2021/22 is forecast to be £200.

#### **d) Recommendations:**

7. The Trustees are recommended to:
  - i) Receive and approve the Charity's Accounts for 2020/21;

# TRUSTEES OF THE SCHOOLS OF SCIENCE & ART CHARITY

## Receipts & Payments Account and Schedule of Assets

01 April 2020 to 31 March 2021

		2020/21		2019/20	
		£	£	£	£
<b>Opening Balance at 1 April</b>			<b>15,514.50</b>		<b>20,623.49</b>
<b>Add:</b>	<b>Receipts:</b>				
	Interest - Charibond	<b>251.96</b>		235.16	
	Interest - Cumberland Building Society	<b>40.69</b>		55.85	
	Legacy -	<b>0.00</b>		0.00	
	<b>Total</b>		<b>292.65</b>		<b>291.01</b>
<b>Less:</b>	<b>Payments:</b>				
	School/College Prizes	<b>0.00</b>		150.00	
	Grants	<b>0.00</b>		5,250.00	
	Other	<b>0.00</b>		0.00	
	<b>Total</b>		<b>0.00</b>		<b>(5,400.00)</b>
<b>Closing Balance at 31 March</b>			<b><u>15,807.15</u></b>		<b><u>15,514.50</u></b>
<b>Represented by:-</b>					
Long Term Investments at cost:		Note 1		Note 1	
	Charibond Fixed Interest Common Investment Fund	<b>8,992.00</b>		8,992.00	
	Cumberland Building Society	<b>6,035.38</b>		5,994.69	
	Cash at Bank	<b>779.77</b>		527.81	
<b>Total at 31 March</b>			<b><u>15,807.15</u></b>		<b><u>15,514.50</u></b>

### Notes:

- 1 The market value of the Charity's 8,399 Charibond shares at 31 March 2020 was £10,441.76 (31 March 2020 £10,346.73).

The above statement represents a true & fair view of the financial position of the Charity's Accounts at 31 March 2021 and its receipts and payments during the year.

Approved by the Trustees on

.....

Mayor of Kendal

.....

Town Clerk

# TRUSTEES OF THE SCHOOLS OF SCIENCE & ART CHARITY

## 2020/21 ACCOUNTS

RECEIPTS		Investment	Interest	Other	Opening Balance	TOTAL
Date		£	£	£	£	£
2020						
1 April	Opening Balance				15,514.40	15,514.40
29 May	M & G (Charibond)		58.79			58.79
28 August	M & G (Charibond)		58.79			58.79
15 Dec	M & G (Charibond)		75.59			75.59
28 Feb	M & G (Charibond)		58.79			58.79
31 Mar	Cumberland Building Society	40.69				40.69
						0.00
		40.69	251.96	0.00	15,514.40	15,807.05

PAYMENTS		Investment	Prizes	Grants	Closing Balance	TOTAL
Date	Chq No.	£	£	£	£	£
2020						
						0.00
2021						
31 Mar	Closing Balance				15,807.05	15,807.05
		0.00	0.00	0.00	15,807.05	15,807.05

Closing balance at 31 March 2021 represented by:	£	Note
Barclays Bank - Current Account	779.77	1
Cumberland Building Society	6,035.38	
M & G Investments at cost	8,992.00	2
	<u>£15,807.15</u>	

### Notes:

1	<b>Bank Reconciliation 31 March 2021:</b>	£	
	Balance per Cash Book	779.77	
	Unpresented Cheques	0.00	
	Outstanding lodgements	0.00	
	<b>Balance per Bank Statement</b>	<u>£779.77</u>	
2	<b>M &amp; G Investments:</b>		
		Units	Price
	Common Investment Fund, Fixed Interest - Charibond	8,399.000	124.00
			Value
			10,414.76
	<b>Value at 31 March 2021</b>		<u>£10,414.76</u>