

Annual Governance and Accountability Return 2022/23 Form 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 Form 3 of the Annual Governance and Accountability Return 2022/23

1. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 **must** complete Form 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 2023**.
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 2023**. 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 2023
 - 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 2022/23

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 2023 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 2022/23**, approved and signed, page 4
- **Section 2 - Accounting Statements 2022/23**, approved and signed, page 5

Not later than 30 September 2023 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 Form 3 of the Annual Governance and Accountability Return (AGAR) 2022/23

- 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. Any amendments must be approved by the authority and properly initialled.
- 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 2023.
- 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.
- 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 bank reconciliation is incomplete or variances not **fully** explained then 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 2022) equals the balance brought forward in the current year (Box 1 of 2023).
- 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 2023**.

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
All sections	Have all highlighted boxes have been completed?	✓	
	Has all additional information requested, including the dates set for the period for the exercise of public rights , been provided for the external auditor?	✓	
Internal Audit Report	Have all highlighted boxes 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 Responsible Financial Officer signed the accounting statements before presentation to the authority for approval?	✓	
	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 been published where required?	✓	
	Has the bank reconciliation as at 31 March 2023 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? NB: 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 or from www.ada.org.uk

Annual Internal Audit Report 2022/23

PENRITH TOWN COUNCIL

<https://www.penrithtowncouncil.gov.uk/>

During the financial year ended 31 March 2023, 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 2022/23 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 2021/22, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2021/22 AGAR tick "not covered")</i>			✓
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	✓		
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations <i>(during the 2022-23 AGAR period, were public rights in relation to the 2021-22 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).</i>	✓		
N. The authority has complied with the publication requirements for 2021/22 AGAR <i>(see AGAR Page 1 Guidance Notes).</i>	✓		
O. (For local councils only)	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

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

Date(s) internal audit undertaken


07/02/2023

18/04/2023

Name of person who carried out the internal audit

G. D. Airey

Signature of person who carried out the internal audit



Date

18/04/2023

***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 2022/23

We acknowledge as the members of:

PENRITH TOWN COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2023, 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.	✓		prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	✓		has only done what it has the legal power to do and has complied with Proper Practices in doing so.
4. We provided proper opportunity during the year for the exercise of electors’ rights in accordance with the requirements of the Accounts and Audit Regulations.	✓		during the year gave all persons interested the opportunity to inspect and ask questions about this authority’s accounts.
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		responded to matters brought to its attention by internal and external audit.
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	✓		disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A
			✓

***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:

15/05/2023


and recorded as minute reference:

PTC23/17fIA

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

Chairman

Clerk


V. Tunnadue

<https://www.penrithtowncouncil.gov.uk/>

Section 2 – Accounting Statements 2022/23 for

PENRITH TOWN COUNCIL

	Year ending		Notes and guidance
	31 March 2022 £	31 March 2023 £	
1. Balances brought forward	526,380	627,945	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	450,069	455,209	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	29,407	22,165	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	234,712	260,395	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	0	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	143,199	159,245	Total expenditure or payments as recorded in the cash-book less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	627,945	685,679	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	626,526	697,223	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	156,299	181,919	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

For Local Councils Only	Yes	No	N/A	
11a. Disclosure note re Trust funds (including charitable)		✓		The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.
11b. Disclosure note re Trust funds (including charitable)			✓	The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2023 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

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

Date

18/04/2023

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

15/05/2023

as recorded in minute reference:

PTC23/17fiiA

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

Section 3 – External Auditor's Report and Certificate 2022/23

In respect of

PENRITH TOWN COUNCIL

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 2023; 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 2022/23

(Except for the matters reported below)* on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return is in accordance with 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 2022/23

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 2023.

*We do not certify completion because:

External Auditor Name

External Auditor Signature

Date

PENRITH TOWN COUNCIL

Additional information to be submitted with Part 3 AGAR

Basic and Intermediate levels

Item required.	Yes or No	Comment
1. State the basis of accounts – Income and Expenditure (I&E) or Receipts and Payments (R&P).	YES	I&E Penrith Town Council Annual Governance Accountability Return 22-23: PDF Document 1
2. Bank reconciliation (N.B. a pro-forma document is available online).	YES	Bank reconciliations: HSBC, Penrith Building Society, CCLA: PDF Document 2
3. Explanations of significant variances – with a numerical support: For boxes 2 – 10 in the Accounting Statements, where the 2023 figure is 15% greater than, or 15% less than, the 2022 figure unless the variance is less than £500. Please also provide an explanation if the variance is greater than £100,000 regardless of whether this is less than 15%.	YES	Penrith Town Council explanation of Variances and Reserves 2022-23: Excel Document 3
4. A reconciliation between boxes 7 and 8 – this must be quantified.	YES	Penrith Town Council reconciliation box 7 and 8: Excel document 4
5. An explanation of any 'No' answers in Section 1 (Annual Governance Statement).	N/A	There are only "Yes" answers
6. An explanation of any 'No' answers in the Annual Internal Audit Report.	N/A	There are only "Yes" answers

PENRITH TOWN COUNCIL

Item required.	Yes or No	Comment
7. An explanation of the level of reserves held if more than twice the precept of the Authority.	No	The Council does not hold reserves that are more than twice the precept of the Authority.
8. Whether you use the general power of competence.	YES	General Power of Competence was approved by Full Council, 20 May 2019, Minute PTC19/25: [Copy enclosed of signed minutes, highlighted page 11] PDF Document 8 and reaffirmed in 15 May 2023, PTC/23/04
9. The dates for the period for the exercise of public rights (N.B. a <u>pro-forma</u> document is available online).	YES	Notice of Public Rights: PDF Document 9
10. This sheet should also be submitted, duly completed.	YES	Additional information Basic and intermediate: PDF Document 10
The following information has been provided by Penrith Town Council as requested by Moore UK as set out by email 20 April 2023.		
Item required.	Yes or No	Comment
11. A copy of bank statements for all accounts showing the balance at 31 March 2023:	YES	PDF Document 2

PENRITH TOWN COUNCIL

The following information has been provided by Penrith Town Council as requested by Moore UK as set out by email 20 April 2023.

Item required.	Yes or No	Comment
12. Confirmation that arrangements are in place to ensure systems of internal control are fully documented and provide details of how this was administered and monitored during the period 1 April 2022 to 31 March 2023.	YES	<p>i. Report - Review of System of Internal Control 2022-23, Finance Committee report, 20 March 2023.</p> <p>ii. Minutes of Finance Committee, 20 March 2023, Minute FIN22/99, approving Review of the System of Internal Control 2022-23.</p> <p>iii. Report - Review of System of Internal Control 2022-23, Finance Council report, 27 March 2023.</p> <p>iv. Minutes of Full Council, 27 March 2023, Minute PTC22/122.</p> <p>v. Interim Internal Audit Report 01 April 2022 – 31 December 2022.</p> <p>vi. Final Internal Audit Report 1 April 2022 – 31 March 2023.</p> <p>These documents provide details of how the System of Internal Control was administered and monitored during the period 1 April 2022 to 31 March 2023.</p> <p style="text-align: center;">Internal Control 2022-23:</p> <p style="text-align: center;">PDF Document 12</p>
13. Give a breakdown of the year end reserves held by the Council identifying any amounts included that relate to specific projects or earmarked funds.	YES	<p>Penrith Town Council explanation of Variances and Reserves 2022-23:</p> <p style="text-align: center;">Excel Document 3</p>
14. Please provide a copy of the relevant trust deed for each of the charities for which the council is sole managing trustee (if applicable)	N/A	

Smaller authorities audit guidance

Bank reconciliation template

HSBC

	£	£
Balance per bank statement at 31 March 2023		80,597.74
Add: outstanding receipts		
Less: outstanding payments		
Balance per cashbook at 31 March 2023		80,597.74

Outstanding receipts

This should include any amounts received which have been recorded in the cashbook as being received in the period to 31 March 2023 but which appear on the bank statement after 31 March 2023.

Outstanding payments

This should include any amounts paid which have been recorded in the cashbook as being paid in the period to 31 March 2023 but which appear on the bank statement after 31 March 2023.

3 March to 2 April 2023

Account Name
Penrith Town Council

Statement
Statement Number
190

Your BUSINESS CURRENT ACCOUNT details

Date	Payment type and details	Paid out	Paid in	Balance
	BP BALANCE BROUGHT FORWARD			111,335.10
	CAROL GREY			
	PENRITH TOWN COUNC	1,838.08		
	BP ROSALYN RICHARDSON			
	PENRITH TOWN COUN	1,427.14		
	BP IAN PARKER			
	PENRITH TOWN COUNC	2,815.67		
	BP P FOOTE			
	PENRITH TOWN COUNC	648.03		
	BP Kerry Marie Morgan			
	PENRITH TOWN COUNC	1,699.59		
	BP Mr John Kemp			
	Penrith Town Counc	1,445.13		
	BP IAN PARKER			
	PENRITH TOWN COUNC	22.95		101,438.51
29 Mar 23	BP KTD			
	K148548	1,411.06		
	BP Penrith Lions Club			
	Penrith Town Counc	4,525.00		
	BP Urbaser Ltd			
	PTC INV 7277	199.56		
	BP Urbaser Ltd			
	PTC INV 7297	260.15		
	BP Urbaser Ltd			
	PTC INV 7275	776.81		
	BP Urbaser Ltd			
	PTC INV 7276	428.00		
	BP Urbaser Ltd			
	PTC INV 7298	676.15		
	BP Urbaser Ltd			
	PTC INV 7296	809.21		
	VIS INT'L 0020962658			
	ADOBE ACROPRO SUBS			
	ADOBE.LY/BILL	75.84		92,276.73
30 Mar 23	BP HMRC PAYE/NIC CUMB			
	475PK00871578	5,734.07		
	BP Gail Little			
	Penrith Town Counc	100.00		
	BP KTD			
	K148855	387.55		86,055.11
31 Mar 23	BP CUMBRIA LOCAL GOVT			
	PENRITH TOWN COUNC	5,457.37		80,597.74
02 Apr 23	BP BALANCE CARRIED FORWARD			80,597.74

Smaller authorities audit guidance

Bank reconciliation template

Penrith Building Society

	£	£
Balance per bank statement at 31 March 2023		86,625.63
Add: outstanding receipts		
Less: outstanding payments		
Balance per cashbook at 31 March 2023		86,625.63

Outstanding receipts

This should include any amounts received which have been recorded in the cashbook as being received in the period to 31 March 2023 but which appear on the bank statement after 31 March 2023.

Outstanding payments

This should include any amounts paid which have been recorded in the cashbook as being paid in the period to 31 March 2023 but which appear on the bank statement after 31 March 2023.

savings



Our Ref: COUNTER/LD

11th April 2023

Penrith Town Council
Unit 1, Church House
19-24 Friargate
Penrith
Cumbria
CA11 7XR

Dear Sirs

Account Number

Further to your recent request, I confirm that the balance on your above numbered account at 31st March 2023 is £86,625.63.

The current interest rate payable on this account is 1.25%.

Should you require any further assistance or information please do not hesitate to contact the branch where we will be happy to help.

Yours sincerely

Lesley Dinham
Senior Customer Representative

Smaller authorities audit guidance

Bank reconciliation template

CCLA

	£	£
Balance per bank statement at 31 March 2023		<div>530,000.00</div>
Add: outstanding receipts	<div></div> <div></div> <div></div>	-
Less: outstanding payments	<div></div> <div></div> <div></div>	-
Balance per cashbook at 31 March 2023		<div>530,000.00</div>

Outstanding receipts

This should include any amounts received which have been recorded in the cashbook as being received in the period to 31 March 2023 but which appear on the bank statement after 31 March 2023.

Outstanding payments

This should include any amounts paid which have been recorded in the cashbook as being paid in the period to 31 March 2023 but which appear on the bank statement after 31 March 2023.

STATEMENT

Mrs V Tunnadine
Penrith Town Council
Unit One, Church House
19-24 Friargate
PENRITH
Cumbria
CA11 7XR

CLIENT: PENRITH TOWN COUNCIL

ACCOUNT NAME: PENRITH TOWN COUNCIL

ACCOUNT NUMBER: 10000000000000000000

Statement at 31 March 2023

Date	Description	Value of shares sold £	Value of shares bought £	Balance of shares held £	Share Class
01/03/23	Brought Forward			630,000.00	
24/03/23	Sold - paid to bank	100,000.00		530,000.00	4
31/03/23	Carried Forward			530,000.00	4

Statement of Dividends paid during the month to 31 March 2023

Date	Receiving Account	Amount Paid £
31-03-23	Nominated bank account	2,041.14

Explanation of variances 2022/23 – pro forma

Name of smaller authority:

Insert figures from Section 2 of the AGAR in all Blue highlighted boxes

Now, please provide full explanations, including numerical values, for the following that will be flagged in the green boxes where relevant:

- * variances of more than 15% between totals for individual boxes (except variances of less than £500);
- * variances of more than £100,000 must be explained even where this constitutes less than 15%;
- * a breakdown of approved reserves on the next tab if the total reserves (Box 7) figure is more than twice the annual precept value (Box 2).

Please ensure variance explanations are quantified to reduce the variance excluding stated items below the 15% / £500 / £100,000 threshold

	2023 £	2022 £	Variance £	Variance %	Explanation Required? Is > 15%	Is > £100,000	DO NOT OVERWRITE THE BOXES HIGHLIGHTED IN RED/GREEN
1 Balances Brought Forward	627,945	526,380					Explanation of % variance from PY opening balance not required - Balance brought forward agrees
2 Precept or Rates and Levies	455,209	450,069	5,140	1.14%	NO	NO	
3 Total Other Receipts	22,165	29,407	-7,242	24.63%	YES	NO	
4 Staff Costs	260,395	234,712	25,683	10.94%	NO	NO	
5 Loan Interest/Capital Repayment	0	0	0	0.00%	NO	NO	
6 All Other Payments	159,245	143,199	16,046	11.21%	NO	NO	
7 Balances Carried Forward	685,679	627,945	57,734	9.19%	NO	NO	
8 Total Cash and Short Term Investments	697,223	626,526	70,697	11.28%	NO	NO	
9 Total Fixed Assets plus Other Long Term Investments and Assets	161,919	156,299	25,620	16.39%	YES	NO	
10 Total Borrowings	0	0	0	0.00%	NO	NO	
Excessive Reserves Ratio	1.50629	1.39522					

Box 3: Other Income	Variance £
In 2022-23: reduction in CTRS grant from Eden DC £163 and grants of £3,863 from Eden DC and Cumbria CC towards the purchase of speed indicator devices in 2021-22 but none in 2022-23.	(4,026)
Increase in investment income £12,936 due to higher invested balances and higher rates of interest.	12,936
In 2021-22, grants totalling £7,990 to help the community and businesses recover from the effects of the pandemic were received from Cumbria CC, none in 2022-23	(7,990)
The Council has an ongoing programme of transferring assets from Eden DC. To assist in a smooth transition, the assets are supported in the first four years by a tapering grant from the District Council towards running costs. Tapered grant reductions in 2022-23 comprised Benches £210, Bus Shelters £364, Bandstand £799, Musgrave Monument £175 and Fairhill Park £3,305. In 2022-23, the Council received no income for bring sites (£1400 2021-22), no income for memorial benches (£2,159 2021-22). There was an increase to £750 for use of the Bandstand (£500 2021-22).	(8,162)
Total Increase in Box 3: Other Income, as above	(7,242)

Box 9: Fixed Assets	Variance £
Acquisitions in 2022-23::	
Replacement Bus Shelter	2,968
Fire Resistant Key safe	101
Keyless Lockable litter bin	195
HP Laptops x 2	1,130
LCD Monitors x 4	626
Steel Gates and Timber Bollards	2,500
Self Binding Gravel Path	14,375
Benches	2,454
Jabra Headsets x 8	1,272
Less Disposal in 2022-23:	
Bus Shelter	(1)
Total Increase in Box 9: Fixed Assets, as above	25,620

Explanation for 'high' reserves

(Please complete or update the highlighted boxes when the total in Box 7 is greater than 2 times the value of Box 2)

Box 7 is more than twice the value of Box 2 because the authority held the following breakdown of reserves at the year end:

	£	£	£
Earmarked reserves*:			
Reserve 1			
Reserve 2			
Reserve 3			
Reserve 4			
Reserve 5			
			0
General reserve			0
Total reserves (must agree to Box 7)			<u><u>0</u></u>
Box 7 per Annual Return			685,679
Difference			-685679

PLEASE PROVIDE AN EXPLANATION FOR THIS DIFFERENCE

Column B - Reserves should be renamed to show the specific purpose / name given by this authority.

Column D - Earmarked items - a value for the amount earmarked for each specific reserve should be entered. There may be fewer than 5 reserves or more and the number can be reduced or extended as appropriate.

Column D - General reserves - this should relate to normal operating funds and should be the difference between the total of all Earmarked reserves and the value of Box 7 on Section 2 of the AGAR.

EXPLANATION

The difference (F20) is shown as £685,679 as Box 7 is not more than twice the value of Box 2.

For clarity the Council reserves are as follows:

Earmarked reserves*:			
Devolution		156793	
Elections		30000	
			186793
General reserve		498,886	498886
Total reserves (must agree to Box 7)			<u><u>685679</u></u>



Penrith Town Council

Unit 1, Church House, 19-24 Friargate, Penrith, Cumbria, CA11 7XR

Tel: 01768 899 773 Email: office@penrithtowncouncil.co.uk

Minutes of the:

ANNUAL MEETING OF THE TOWN COUNCIL

Held on:

Monday 20 May 2019 at 6.00 pm Room 2, Parish Centre,
St Andrews Place, Penrith

PRESENT:

Cllr. Bowen	Penrith Pategill Ward
Cllr. Burgin	Penrith South Ward
Cllr. Clark	Penrith South Ward
Cllr. Davies	Penrith West Ward
Cllr. Fallows	Penrith East Ward
Cllr. Hawkins	Penrith East Ward
Cllr. Jackson	Penrith North Ward
Cllr. Kenyon	Penrith North Ward
Cllr. Knaggs	Penrith West Ward
Cllr. Lawson	Penrith Carleton Ward
Cllr. Shepherd	Penrith East Ward
Cllr. Snell	Penrith West Ward
Cllr. Whitby	Penrith North Ward

Services and Contracts Manager

Deputy Town Clerk

Responsible Finance Officer

**MINUTES OF THE ANNUAL MEETING
OF THE TOWN COUNCIL
20 MAY 2019**

PTC19/01 Election of a Chairman

Members considered and voted for the election of the Chairman of the Council.

Moved, seconded and **RESOLVED THAT:**

Councillor Lawson be elected Chairman for the 2019-2020 municipal year. Cllr. Lawson assumed the Chair and Town Mayor roles and made a declaration of acceptance of office in the prescribed form.

PTC19/02 Appointment of Vice Chairman

Members considered and voted for the appointment of the Vice Chairman of the Council.

Moved, seconded and **RESOLVED THAT:**

Councillor Jackson be appointed Vice-Chairman for the 2019-2020 municipal year. Cllr. Jackson assumed the Deputy Chair and Deputy Town Mayor roles and made a declaration of acceptance of office in the prescribed form.

PTC19/03 Apologies

Members received apologies for absence from Cllr. Donald.

PTC19/04 Acceptance of Office

The Services and Contracts Manager on behalf of the Town Clerk received completed Declaration of Acceptance Forms from each elected Member.

Members considered an amendment to the order of agenda items.

Members were requested to consider item 12 Committee Membership ahead of Item 11 Meetings Report, to enable Councillors to determine their preferences for Committee membership prior to those on the committee considering the timing of meetings.

RESOLVED THAT:

The amendment be approved.

PTC19/05 Public Bodies (Admission to Meetings) ACT 1960

Members considered whether any items should be considered without the presence of the press and public, pursuant to the Public Bodies (Admission to Meetings) Act 1960 Section 2. None identified.

PTC19/06 Minutes Approval

- a) Members were requested to approve the minutes of the meeting held on 28 January 2019 and authorise the Chairman to sign the minutes as a true and accurate record.

RESOLVED THAT:

The Chairman be authorised to sign the Minutes of the Meeting of Full Council held on 28 January 2019.

- b) The outgoing Committee Members were requested to consider and approve the year-end minutes of the Council's standing committees and authorise the Chairman of the Annual Town Council Meeting to sign the minutes as a true and accurate record.

RESOLVED THAT:

The Chairman be authorised by the outgoing committee members to sign the Minutes of the:

- i. Planning Committee held on Monday 04 March 2019.
- ii. Community, Culture and Economic Growth Committee held on Monday 11 March 2019.
- iii. Management Committee held on Monday 15 April 2019
- iv. Finance Committee held on Monday 29 April 2019

PTC19/07 Interests

Members noted that they must complete the Register of Interests form within 28 days of being elected and submit these forms to the Monitoring Officer by the 30 May 2019.

PTC19/08 Declaration of Interests

Members were asked to disclose their interests in matters to be discussed. None identified.

PTC19/09 Dispensations

Members were asked to disclose requests for dispensations. None identified.

PTC19/10 Policies and Procedures Review

Members considered a review of the Council's Policies and Procedures:

a) General Dispensations

RESOLVED THAT:

The General Dispensations Policy for the four-year term of the Council be approved.

b) Code of Conduct

RESOLVED THAT:

The Revised Code of Conduct which brings the Council's Policy in line with the Code of Conduct template issued by the National Association of Local Councils be approved.

c) Scheme of Delegation

RESOLVED THAT:

- i. The revisions to the Scheme of Delegation be approved.
- ii. Cllr Jackson be the lead Member for Devolution and Councillor Lawson be the lead for Member/Officer liaison.

d) New Policies

Asset Valuation Policy

RESOLVED THAT:

The policy be ratified as recommending by Finance Committee.

Petitions Policy

RESOLVED THAT:

The Policy be adopted.

PTC19/11 Committee Membership

Members considered the appointment of Members and Standing Deputies to serve on the under mentioned Committees and other expressions of interest to sit on the committees were sought.

RESOLVED THAT:

The appointment of members and standing deputies be approved as follows:

i. Planning Committee:

Cllr Bowen
Cllr Jackson
Cllr Knaggs
Cllr Shepherd
Cllr Snell
Cllr Fallows Standing Deputy

ii. Finance Committee:

Cllr Bowen
Cllr Burgin
Cllr Hawkins
Cllr Jackson
Cllr Kenyon
Cllr Shepherd

iii. Communities, Culture and Economic Growth Committee

Cllr Bowen
Cllr Davies
Cllr Donald
Cllr Jackson
Cllr Knaggs
Cllr Snell
Cllr Burgin Standing Deputy
Cllr Shepherd Standing Deputy

✓

PTC19/12 Meetings Report

Members considered the dates and times of ordinary meetings of the Council and Committees for the ensuing year.

RESOLVED THAT:

- i. The dates of the ordinary meetings of the Council and Committees be approved as set out below;
- ii. The start time of Full Council be approved and;
- iii. The start time of the committee meetings be considered and approved at the first meeting of each committee.

PENRITH TOWN COUNCIL MEETINGS CALENDAR 2019-20				
MONTH	FULL COUNCIL	FINANCE	CCEG	PLANNING
TIME	18.00-20.00	18.00 - 20.00	16.00-18.00	14.15-16.00
MAY	20			
JUNE		17	17	3
JULY	15			8
AUGUST				
SEPTEMBER	23	9	9	2
OCTOBER				7
NOVEMBER	25	11	11	4
DECEMBER				2
JANUARY	27	13	20	13 <u>after Finance</u>
FEBRUARY				3
MARCH	23	9	9	2
Annual Town Meeting	16			
APRIL		27		6
MAY	18		11	11
	Annual PTC Meeting			

PTC19/13 Election of Committee Chairman

Members were requested to elect Chairmen to serve on the under mentioned Standing Committees.

RESOLVED THAT:

The following members be elected as Chairman

- i. Planning Committee: Cllr Jackson
- ii. Finance Committee: Cllr Burgin
- iii. Communities, Culture & Economic Growth Committee: Cllr Jackson

PTC19/14 Appointments to External Bodies

Members considered the appointment of representatives to attend the under mentioned bodies:

RESOLVED THAT:

The following Members be appointed as representatives:

- i. Eden Association of Local Councils: Cllr. Bowen and Cllr. Snell
- ii. Omega Proteins: Cllr. Davies
- iii. Friends of Coronation Garden: Cllr. Shepherd
- iv. Friends of Eden Valley Public Transport: Cllr. Knaggs
- v. Penrith Business Improvement District: Cllr. Jackson
- vi. Plastic Clever: Cllr. Knaggs

PTC19/15 Insurance and Asset Register

- a) Members noted that the Council's insurance policy was a 3-year long term agreement effective from 18 May 2018 and had been renewed automatically.
- b) Members were asked to ratify the Asset Register as at 31 March 2019 as resolved by the Finance Committee.

RESOLVED THAT:

The Asset Register as at 31 March 2019 be ratified.

PTC19/16 Annual Review of Fees and Charges

Members were requested to ratify the report setting out the Fees and Charges for the hire of the Boardroom, Meeting Room and Cornmarket Bandstand for the 2019-20 municipal year as resolved by the Finance Committee.

RESOLVED THAT:

The Fees and Charges 2019-20 be ratified.

PTC19/17 Final Accounts 2018/19

Members were asked to ratify the approved resolutions from the Council's Finance Committee.

a) Internal Audit Report

Members were requested to ratify the internal audit report for the year ended 31 March 2019.

RESOLVED THAT:

The Internal Audit Report for the year ended 31 March 2019 be ratified.

b) Governance and Accountability for Small Authorities

Members were requested to ratify the formal adoption of the CALC publication 2019 with effect for 2018/19 which represents statutory proper practice and as part of the adoption, Members noted that they had each received a copy of the CALC publication within their induction training pack.

RESOLVED THAT:

The formal adoption of the CALC publication 2019 for year end 2018/19 be ratified.

c) Review of the System of Internal Control and Annual Governance Statement 2018/19

Members were requested to note that the Town Council must carry out an annual review of the effectiveness of the system of internal control prior to the completion of the Annual Governance Statement. A full review was carried out in 10 September 2018 by the Finance Committee and approved by Full Council on 24 September 2018; the Finance Committee has since confirmed that the Council's internal controls, including those relating to risk management, have remained effective throughout the remainder of the financial year.

PTC19/17 Final Accounts 2018/19 Continued
Review of the System of Internal Control and Annual Governance
Statement 2018/19 continued

RESOLVED THAT:

- i. The Annual Governance Statement for 2018/19 be ratified.
- ii. The Chairman of the Council and the Town Clerk be authorised to sign the Statement at Section 1 of the Annual Governance and Accountability Return.

d) Bank Reconciliations

Members were requested to ratify Bank Reconciliations for year ended 31 March 2019.

RESOLVED THAT:

The Bank Reconciliations for year ended 31 March 2019 be ratified.

e) Finance Outturn Report – Year ended 31 March 2019

Members considered the Finance Outturn Report Year ended 31 March 2019 authored by the Council's Responsible Finance Officer (RFO):

RESOLVED THAT:

- i. The Finance Outturn report for the year ended 31 March 2019 be ratified. , *as at 31 March 2019* *SL*
- ii. The ~~transfers to~~ reserves in the outturn report be noted. These being General Reserve £181,256, Devolution £55,815, Acquisitions £50,000.
- iii. The exception to Financial Regulations to allow Planning Committee to carry forward unspent budget provision totalling £23,715 from 2018/19 to 2019/20 be ratified.

f) Annual Governance and Accounts Return 31 March 2019:
Accounting Statements.

Members considered the Annual Governance and Accounts Return 31 March 2019: Accounting Statements.

RESOLVED THAT:

- i. The Accounting Statements for 2018/19, AGAR Section 2 be ratified.
- ii. The Chairman of the Council be authorised to sign the Statements on behalf of the Council to allow the RFO to submit the Accounting Statement to the External Auditor.

11

PTC19/18 Appointment of Internal Auditor

Members noted that the Finance Committee had approved the reappointment of Mrs G. Airey as the Council's Internal Auditor for 19/20.

RESOLVED THAT:

The reappointment of Mrs G. Airey as the Council's Internal Auditor for 2019/20 be ratified.

PTC19/19 Membership of Professional Bodies

Members noted the Council's continuing subscription to the Cumbria Association of Local Councils, the Society of Local Council Clerks, the National Allotment Society, the Living Wage Foundation and the Information Commissioners Office be noted.

PTC19/20 EDC Signatures Project Fund

Members considered the Finance Committees request to approve a budget of £5,000 from the Devolution Reserve to support the delivery of the Fairhill Playing Field Project.

RESOLVED THAT:

£5,000 from the Devolution Reserve to support the delivery of the Fairhill Playing Field Project be ratified.

PTC19/21 Community Caretaker Contract

Members considered Finance Committees recommendation to extend the Community Caretaker Contract for a further 12 months.

RESOLVED THAT:

The Community Caretaker Contract for a further 12 months effective from 25 June 2019 be ratified.

PTC19/22 The Public Sector Bodies (Websites and Mobile Applications) (No.2) Accessibility Regulations 2018

Members considered the recommendation of Finance Committee to use General Reserves for schemes of work associated with the Council's statutory compliance with The Public Sector Bodies Accessibility Regulations 2018.

RESOLVED THAT:

General Reserves be used for schemes of work associated with the Council's statutory compliance with The Public Sector Bodies Accessibility Regulations 2018 be ratified.

PTC19/23 Neighbourhood Plan

The Council's Deputy Town Clerk gave a verbal update regarding progress and next steps for the furtherance of the Neighbourhood Plan.

PTC19/24 Local Council Award Scheme

Members were asked to confirm by resolution that the Council was eligible, to register, for the Local Council Award Scheme Quality Gold Award, as resolved by Full Council, 28 January 2019, Minute PTC18/91. Members were asked to approve the statements of evidence and authorise the Chairman to sign the statements.

RESOLVED THAT:

- i. The Council register for the Local Council Award Scheme, Quality Gold Award.
- ii. The statements of evidence be approved; and
- iii. The Chairman of the Council be authorised to electronically sign the declaration on the application.

PTC19/25 General Power of Competence

Members were asked to confirm by resolution that the Council was eligible to adopt the General Power of Competence as resolved by Full Council, 28 January 2019 minute reference PTC18/92.

RESOLVED THAT:

From 20 May 2019, until the next relevant Annual Meeting of the Council, the Council, having met the conditions of eligibility as defined in the Localism Act 2011 and SI 965 The Parish Council's (General Power of Competence) (Prescribed Conditions) Order 2012, would adopt the General Power of Competence.

PTC19/26 Declaration of a Climate Emergency

Councillor Lawson brought forward a motion to Declare a 'Climate Emergency' and aim to make Penrith carbon neutral by 2030.

RESOLVED THAT:

- i. Recommendation (i) of the motion be amended to:

Declare a 'Climate and Ecological Emergency ' and resolve to make Penrith carbon neutral by 2030, considering both production and consumption emissions (scope 1, 2 and 3) by working with partners across the parish, district and county to help deliver this goal through relevant strategies, plans and shared resources via a constituted Climate Change Partnership group, led by the larger authorities.

PTC19/26 Declaration of a Climate Emergency Continued

- ii. The following wording be inserted into the Council's policy 'Adopt a holistic approach and prioritise pollution prevention to avoid ecological degradation and ecosystem collapse, for humanity's survival, continued existence, health and wellbeing by all of earths inhabitants comprising ecosystem diversity.
- iii. The motion to Declare a Climate Emergency be approved including the agreed amendments in items 1), and 2) as appended to these minutes: Appendix A

PTC19/27 Statutory Consultation – Eden Speed Limit Consolidation 2019

Members were asked to consider amendments to the speed limits in Carleton and Pategill Wards, as proposed by Cumbria County Council.

RESOLVED THAT:

The following response be returned to Cumbria County Council in relation to their Eden Speed Limit Consolidation 2019 consultation:

PTC19/27 Statutory Consultation – Eden Speed Limit Consolidation 2019 Continued

- i. That the 40mph speed limit on the A686 Carleton Penrith be extended on the A686 for approx. 250m in an easterly directions, with the existing 50mph restriction being reduced accordingly as outlined in the consultation document; and that Cumbria County Council be asked to consider introducing a 30mph speed limit now to save on a second expense for consulting when the building work on the Cross Keys side is completed.
- ii. That the proposed speed limit of 20mph be extended to include the whole of the Pategill Estate.
- iii. That the Council requests that Cumbria County Council considers reviewing the speed limits on Castle Hill Road in Penrith.

PTC19/27 Next Meeting

Members noted that the next meeting was scheduled for 15 July 2019.

CHAIRMAN:



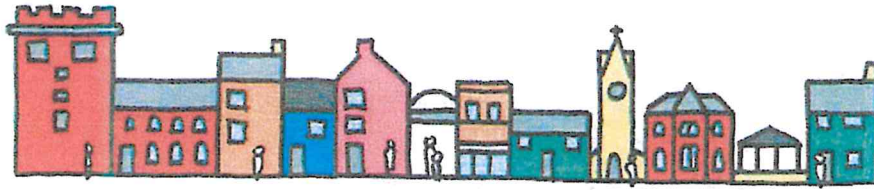
DATE:

15th July 2019.

For the attention of:

Cllr. Bowen	Penrith Pategill Ward
Cllr. Burgin	Penrith South Ward
Cllr. Clark	Penrith South Ward
Cllr. Davies	Penrith West Ward
Cllr. Donald	Penrith North Ward
Cllr. Fallows	Penrith East Ward
Cllr. Hawkins	Penrith East Ward
Cllr. Jackson	Penrith North Ward
Cllr. Kenyon	Penrith North Ward
Cllr. Knaggs	Penrith West Ward
Cllr. Lawson	Penrith Carleton Ward
Cllr. Shepherd	Penrith East Ward
Cllr. Snell	Penrith West Ward
Cllr. Whitby	Penrith North Ward

Appendix A – Declaration of a Climate and Ecological Emergency



Penrith Town Council

Unit 1, Church House, 19-24 Friargate, Penrith, Cumbria, CA11 7XR
Tel: 01768 899 773 Email: office@penrithtowncouncil.co.uk

ANNUAL TOWN COUNCIL 20 MAY MEETING 2019

MATTER: Motion to Penrith Town Council: Declaration of a Climate and Ecological Emergency

AUTHOR AND PROPOSER: Cllr. Lawson

ITEM NUMBER: 26

RECOMMENDATIONS:

That the Council:

1. Declare a 'Climate and Ecological Emergency' and resolve to make Penrith carbon neutral by 2030, considering both production and consumption emissions (scope 1, 2 and 3) by working with partners across the parish, district, and county to help deliver this goal through relevant strategies, plans and shared resources via a constituted Climate Change Partnership group, led by the larger authorities.
2. Request Cumbria County Council along with the relevant district/borough councils establish a Climate Change Partnership that would:
 - a) Involve Councillors, residents, young citizens, climate science experts, businesses, and other relevant parties.
 - b) Adopt a holistic approach and prioritise pollution prevention to avoid ecological degradation and ecosystem collapse, for humanities survival, continued existence, health and wellbeing by all of earths inhabitants comprising ecosystem diversity.
 - c) Consider strategies and actions that would enable the development of a Sustainable Energy and Climate Action Plan for Cumbria in line with a target of net zero emissions by 2030.

- d) Consider actions that could be implemented, including (but not restricted to): renewable energy generation and storage, providing electric vehicle infrastructure and encouraging alternatives to private car use, increasing the efficiency of buildings, in particular to address fuel poverty; proactively using local planning powers to accelerate the delivery of net carbon new developments and communities, coordinating a series of information and training events to raise awareness and share good practice;
- e) Call on Westminster to provide the powers, resources and help with funding to successfully meet the 2030 target;
- f) Consider convening a citizen's assembly in 2019 to oversee and feed into the development of related action plans and budgets in each organisations/stakeholders area of responsibility.

LAW

As of 1 October 2006 every public authority must, in exercising its functions, have regard so far as it is consistent with the proper exercise of those functions to the purpose of conserving biodiversity under the Natural Environment and Rural Communities Act 2006.

The Natural Environment and Rural Communities (NERC) Act came into force on 1st Oct 2006. Section 40 of the Act requires all public bodies to have regard to biodiversity conservation when carrying out their functions. This is commonly referred to as the 'biodiversity duty'.

This duty extends to all public bodies the biodiversity duty of Section 74 of the Countryside and Rights of Way Act 2000 (CROW).

The National Planning Policy Framework (NPPF) published in 2012 emphasises that the purposes of the planning system is to contribute to the achievement of sustainable development and that this gives rise to the need for the planning system to perform a number of roles, such as contributing to protecting and enhancing the natural, built and historic environment and helping to improve biodiversity. The NPPF also states that the planning system should provide a net gain for biodiversity wherever possible, and contribute to the Government's commitment to halt the loss of biodiversity.

LINK TO LINKS TO COUNCIL PRIORITIES

Health and Wellbeing and Transport

1. OVERVIEW

- 1.1 Since the Intergovernmental Panel on Climate Change (IPCC) Special Report of October 2018, Town, District, County and Metropolitan Councils of all political persuasions across the UK have passed motions committing them to addressing the climate crisis. Across the world local government bodies are doing the same.
- 1.2 The motion invites Penrith Town Council to join the many other Councils that are determined to make their contribution to tackling the crisis.
- 1.3 The scientific evidence of the threat we all face is undeniable. In relation to the IPCC report, Mary Robinson former President of Ireland and UN Special Envoy on Climate has said: "We have to understand that we face an existential threat that is going to undermine the future prospects for our children and grandchildren". Unless we act on climate, we collectively face the greatest threat to our local and global environment.
- 1.4 The IPCC's Special Report on Global Warming of 1.5°C describes the enormous harm that a 2°C rise is likely to cause compared to a 1.5°C rise. It informed us that limiting global warming to 1.5°C may still be possible with ambitious action from national and sub-national authorities, civil society, the private sector, indigenous peoples and local communities. Ref 1,2
- 1.5 The World Meteorological Organisation in their annual bulletin (Nov 2018) state that carbon dioxide levels have hit new highs of 405.5 parts per million (ppm) in 2017, up from 403.3 ppm in 2016 and 400.1 ppm in 2015, levels not seen for millions of years. They warn that "the window of opportunity for action is almost closed".
- 1.6 The world's leading climate scientists warn that there are only a dozen years for global warming to be kept to a maximum of 1.5°C, beyond which even half a degree will significantly worsen the risks of drought, floods, extreme heat and poverty for hundreds of millions of people.
- 1.7 Global temperatures have already increased by 1 degree Celsius from pre-industrial levels and they are still rising rapidly, with impacts being felt around the world today.
- 1.8 The world is on track to overshoot the Paris Agreement's 1.5°C limit before 2050.

- 1.9 In order to reduce the very real risk of runaway global warming and the dramatic impacts on the global environment, society and us as individuals, it is imperative that we take the boldest steps to reduce our CO₂ emissions from their current 6.5 tonnes per person per year to less than 2 tonnes as soon as possible.
- 1.10 Society needs to help individuals reduce their own carbon emissions by changing its laws, taxation, infrastructure, policies and plans, to make low carbon living easier and the new norm.
- 1.11 Carbon emissions result from both production and consumption.
- 1.12 Authorities around the country and the world are responding by declaring a 'Climate Emergency' and committing resources to address this emergency now.
- 1.13 South Lakeland District Council 26 February 2019 was the first council in Cumbria to pass a motion to declare a climate emergency:

"Council confirms that it is committed to reducing its carbon emissions and continues to look at all areas of policy and delivery. The Climate Change Policy and the work of the Green Team demonstrates and clarifies our position and ambitions. Council recognises that many organisations have been working hard locally and nationally to identify and address climate change in their own communities and with partners.

However, council believes action needs to happen faster. Business as usual is not enough and there is a growing urgency to implement these actions more rapidly. Council confirms that we are facing a climate emergency. Council now urges government to recognise this urgency and to work with local authorities, health services, businesses, consumers, farmers, educational institutions and all other interested bodies to reduce to net zero as quickly as possible our carbon emissions and their equivalents."

- 1.14 Carlisle City Council declared a climate emergency on 5 March 2019. Carlisle's motion, proposed by Councillor Colin Glover, leader of the Council, is one of the strongest in the country, committing their Council to:
- "Declare a 'Climate Emergency' that requires urgent action.
 - Make the Council's activities net-zero carbon by 2030.
 - Ensure that all strategic decisions, budgets and approaches to planning decisions are in line with a shift to zero carbon by 2030.

- Support and work with all other relevant agencies towards making the Carlisle district Zero Carbon within the same timescale.
- Achieve 100 per cent clean energy across Carlisle City Council's full range of functions by 2030.
- Convene a citizen's assembly in 2019 to oversee and feed into the development of related action plans and budgets."

1.15 That as of 1 May 2019, climate emergency declarations had been made by 59 councils across the country.

Penrith Town Council is requested to acknowledges that:

1.16 The consequences of global temperature rising above 1.5°C are so severe that preventing this from happening must be humanity's number one priority.

1.17 To meet the urgent challenge outlined in the IPCC report, we all have a part to play. It is important for us all in Penrith that the Town Council commits to carbon neutrality as quickly as possible. Penrith Town Council can lead where Eden District Council and Cumbria County Council should follow.

1.18 That many organisations have been working hard locally and nationally to identify and address climate change in their own communities and with partners.

1.19 Bold climate action can deliver economic benefits in terms of new jobs, economic savings and market opportunities (as well as improved well-being for people worldwide).

2. FINANCIAL IMPLICATIONS

None

3. BACKGROUND PAPERS /REFERENCES

- Covenant of Mayors -
<https://www.covenantofmayors.eu/about/covenant-initiative/origins-and-development.html>
- See the map showing local governments that have declared a Climate Emergency [here](#).
- World Resources Institute:
<https://www.wri.org/blog/2018/10/8things-you-need-know-about-ipcc-15-c-report>
- The IPCC's Special Report on Global Warming of 1.5°C: see IPCC report [here](#).
- Fossil CO2 & GHG emissions of all world countries, 2017:
[http://edgar.jrc.ec.europa.eu/overview.php?%20v=CO2andGHG1970-2016&dst=GHGpc%20\(opens%20in%20a%20new%20window\)](http://edgar.jrc.ec.europa.eu/overview.php?%20v=CO2andGHG1970-2016&dst=GHGpc%20(opens%20in%20a%20new%20window))
- Scope 1, 2 and 3 of the Greenhouse Gas Protocol explained:
<https://www.carbontrust.com/error.html?aspxerrorpath=/resources/faqs/services/scope-3-indirect-carbon-emissions>.

Penrith Town Council

NOTICE OF PUBLIC RIGHTS AND PUBLICATION OF UNAUDITED ANNUAL GOVERNANCE & ACCOUNTABILITY RETURN

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

Local Audit and Accountability Act 2014 Sections 26 and 27
The Accounts and Audit Regulations 2015 (SI 2015/234)

NOTICE

1. Date of announcement: Sunday 4 June 2023

2. Each year the smaller authority's Annual Governance and Accountability Return (AGAR) needs to be reviewed by an external auditor appointed by Smaller Authorities' Audit Appointments Ltd. The unaudited AGAR has been published with this notice. As it has yet to be reviewed by the appointed auditor, it is subject to change as a result of that review.

Any person interested has the right to inspect and make copies of the accounting records for the financial year to which the audit relates and all books, deeds, contracts, bills, vouchers, receipts and other documents relating to those records must be made available for inspection by any person interested. For the year ended 31 March 2023, these documents will be available on reasonable notice by application to:

John Kemp, Responsible Finance Officer, Penrith Town Council, Unit 1 Church House, 19-24 Friargate, Penrith, Cumbria, CA11 7XR, 01768 899773, rfo@penrithtowncouncil.gov.uk

Commencing on: **Monday 5 June 2023**

and ending on: **Friday 14 July 2023**

3. Local government electors and their representatives also have:

- The opportunity to question the appointed auditor about the accounting records; and
- The right to make an objection which concerns a matter in respect of which the appointed auditor could either make a public interest report or apply to the court for a declaration that an item of account is unlawful. Written notice of an objection must first be given to the auditor and a copy sent to the smaller authority.

The appointed auditor can be contacted at the address in paragraph 4 below for this purpose between the above dates only.

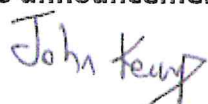
4. The smaller authority's AGAR is subject to review by the appointed auditor under the provisions of the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015 and the NAO's Code of Audit Practice 2015. The appointed auditor is:

Moore (Ref AP/HD)
Rutland House
Minerva Business Park
Lynch Wood
Peterborough
PE2 6PZ



MOORE

5. This announcement is made by



John Kemp Responsible Finance Officer, Penrith Town Council

LOCAL AUTHORITY ACCOUNTS: A SUMMARY OF YOUR RIGHTS

Please note that this summary applies to all relevant smaller authorities, including local councils, internal drainage boards and 'other' smaller authorities.

The basic position

By law, any interested person has the right to inspect the accounting records of smaller authorities. If you are a local government elector or registered to vote in the local councils' elections, then you are able to ask questions about the accounts and object to them.

The right to inspect the accounting records

When your council has finalised its accounts for the previous financial year, they must advertise that they are available for people to inspect. You must then provide the council with reasonable notice of your intentions. Following this, by arrangement you will then have 30 working days to inspect and make copies of the accounting records and supporting documents. You may be required to pay a copying charge.

The right to ask the auditor questions about the accounting records

If you have any questions regarding the accounting records, you should first ask your smaller authority. This must be done during the 30-day period for the exercise of public rights. You may also ask the appointed auditor questions about an item in the accounting records. However, the auditor can only answer 'what' questions, not 'why' questions so is limited with their response. To avoid any confusion, it is advised that you put your questions in writing.

The right to make objections

Should you view something as unlawful or believe there are matters of wider concern in the accounts, you may wish to object. If you are a local government elector, you have the right to ask the external auditor to apply to the courts for a declaration that an item is contrary to the law and should be reported as a matter of public interest. This must be done by telling the appointed auditor which specific item in the accounts you object to and why you believe it to be unlawful or think a public interest report should be made about it. You must provide clear evidence to support your objection, and this should be done in writing and the copied to the council.

You should not use the 'right to object' to make a personal complaint or claim against your smaller authority. Complaints of this nature should be taken to your local Citizens' Advice Bureau, local Law Centre or to your solicitor.

A final word

Smaller authorities, and so local taxpayers, meet the costs of dealing with questions and objections. In deciding whether to take your objection forward, the auditor must consider the cost that will be involved. They will only continue with the objection if it is in the public interest to do so. If you appeal to the courts against an auditor's decision, you may have to pay for the action yourself.

PENRITH TOWN COUNCIL
INTERMEDIATE AUDIT DOCUMENT 12

ITEM 12 I

REPORT TO FINANCE COMMITTEE

Date: 20 March 2023

Public Report

Item no: 12

Matter: Review of the System of Internal Control 2022-23

Author: Responsible Finance Officer

Supporting Member: Cllr. Knaggs, Chair of Finance Committee

Purpose of Report:

To consider a review of the Town Council's system of internal control for the current financial year.

Recommendation

The committee is recommended to:

- a) approve the review of the Council's internal control framework, which concludes that the adopted controls are adequate, appropriate and effective and that they have operated consistently throughout the financial year; and
- b) forward the report to full Council for ratification.

Law and legal implications

The Town Council resolved from 20 May 2019, until the next relevant Annual Meeting of the Council, which having met the conditions of eligibility as defined in the Localism Act 2011 and SI 965 The Parish Councils (General Power of Competence) (Prescribed Conditions) Order 2012, to adopt the General Power of Competence.

1. Report

Governance Requirements

a) Under the Accounts and Audit Regulations 2015, the Town Council must ensure that it has a sound system of internal control which:

- Facilitates the effective exercise of its functions and the achievement of its aims and objectives.
- Ensures that the financial and operational management of the authority is effective.
- Includes effective arrangements for the management of risk.

Additionally, each financial year, the Council must conduct a review of the effectiveness of its system of internal control and prepare an annual governance statement, in accordance with proper practices. This report provides that review.

Internal Audit

b) The Regulations also state that the Council must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance. The Council last reviewed its internal audit arrangements in May 2022, when it concluded that those arrangements were effective for the financial year 2021/22. The same arrangements apply to the current year, so it is reasonable to assume that they continue to be effective. This opinion will be reviewed formally in May this year.

Internal Control Framework

c) The attached framework (Appendix A) summarises the key governance controls operating within the Council. The list of items is not exhaustive, while the headings are included for convenience only. The diagram demonstrates that the Council has all the appropriate elements in place to form a sound framework of internal control.

Review of Effectiveness

d) During the year 2022/23, the Council has maintained all its policies and procedures, updating them where appropriate. It has complied fully with all the controls identified within the framework and has responded appropriately to new responsibilities. For example, during the year to date, the Council has:

- Maintained the General Power of Competence.
- Approved a new Signature Events Grant Policy.
- Adopted the Civility and Respect Pledge.
- Progressed its Neighbourhood Plan.
- Reviewed all risk assessments.
- Planned for the development of Thacka Beck.
- Maintained effective internal control and audit arrangements, confirming that internal audit complies with requirements.
- Continued its planning for local government reorganisation.
- Monitored key governance requirements.

- e) The agenda for this meeting includes the separate interim report from the Council's Internal Auditor, which confirms that the Council's arrangements are satisfactory in all areas examined. This independent opinion contributes to Officers' own opinion that the controls identified in the framework are adequate, appropriate and effective and that they have operated consistently throughout the 2022/23 financial year to date.

Annual Governance Statement (AGS)

- f) The AGS cannot be prepared until after the end of the financial year, prior to approval of the annual accounts, and will be based on the assurance gained from this review of the internal control framework and the final internal audit report.

2. Options Analysis including Risk Assessment

a) Risk

Failure to maintain a sound internal control framework.

b) Consequence

Potential vulnerability to loss or irregularity across a range of governance areas. Criticism from internal/external audit; reputational damage.

c) Controls Required

Sound internal controls that are applied consistently and subject to periodic internal and independent reviews of their effectiveness.

3. Financial Implications

This report has no direct financial implications.

4. Equalities Implications

None identified.

5. Climate Change and Environmental Implications

None identified.

6. Legal Implications

None identified.

Appendices

- Appendix A – Internal Control Framework

Background Papers

- Accounts and Audit Regulations 2015.
- Interim Internal Audit Report 2022/23.

INTERNAL CONTROL FRAMEWORK 2022/23

Statutory & Constitutional	Financial Management	Audit	Risk Management	Employees
<ul style="list-style-type: none"> • Legislation: <ul style="list-style-type: none"> ◦ Local Government ◦ Health & Safety ◦ Equalities ◦ Information Technology ◦ Freedom of Information • Councillors: <ul style="list-style-type: none"> ◦ Standing Orders ◦ Acceptance of Office ◦ Code of Conduct ◦ Register of Interests ◦ Declaration of Interests ◦ Annual Town Meeting • Code of Corporate Governance • Annual Report • Business Plan • Neighbourhood Plan • Community Engagement • Qualified & experienced Town Clerk • Qualified & experienced In House Solicitor 	<ul style="list-style-type: none"> • Financial Regulations • Financial Procedures • Proper Accounting Practices • Procurement Rules • Approval of Expenditure • Approved Budget • Medium Term Forecast • Budgetary Control • Reserves Policy • Investment Policy • Transparency reports • Asset Register • Qualified & Experienced RFO 	<ul style="list-style-type: none"> • Internal Audit • Government and Accountability for Smaller Authorities • Review of Internal Audit Effectiveness • Code of Audit Practice • External Audit • Public Right of Inspection 	<ul style="list-style-type: none"> • Risk Assessments • Health & Safety advice • Legal advice • IT Security • Business Continuity arrangements • Security of Assets • Insurance cover • Due diligence re asset transfers 	<ul style="list-style-type: none"> • Approved establishment • Contracts of employment • Job Descriptions • Staff Policies & Procedures • Staff Handbook • Performance Appraisals



Penrith Town Council

Unit 1, Church House, 19-24 Friargate, Penrith, Cumbria, CA11 7XR

Tel: 01768 899 773 Email: office@penrithtowncouncil.gov.uk

Minutes of the meeting of the

FINANCE COMMITTEE

Held on Monday 20 March 2023, at 6.00 p.m.

PRESENT

Cllr. Kenyon

North Ward

Cllr. C. Shepherd East Ward

Cllr. Knaggs

West Ward

Services and Contracts Manager
Responsible Finance Officer

The Town Council resolved from 20 May 2019, until the next relevant Annual Meeting of the Council, which having met the conditions of eligibility as defined in the Localism Act 2011 and SI 965 The Parish Councils (General Power of Competence) (Prescribed Conditions) Order 2012, to adopt the General Power of Competence.

MINUTES FOR THE MEETING OF FINANCE COMMITTEE 20 MARCH 2023

The Chair proposed a late amendment and addition to Agenda 11 item Banking. This was approved.

FIN22/88 Apologies for Absence

Apologies for absence were received from Cllrs. Burgin, Lawson and Rudhall.

FIN22/89 Confirmation of the Minutes

Members authorised the Chair to sign the Minutes of the Meeting of the Finance Committee held on Monday 16 January 2023.

FIN22/90 Declarations of Interest and Requests for Dispensations

Members were asked to disclose their interests in matters to be discussed whether disclosable pecuniary or other registrable interest, and to decide requests for dispensations.

There were no declarations of interest and requests for dispensations.

FIN22/91 Public Participation

Members received written representation from Evolve Penrith submitted by email from Jonathan Davies:

"At a meeting of Penrith Town Council held on the 13th of March 2023, a member of the public reading a statement disclosed they had received information provided by the council regarding the cost of the meeting that was scheduled to last for 1 hour but in reality, lasted 40 minutes costing the council £500 to hold. Can the chair confirm if this £500 cost of a single 1-hour council meetings is factually correct and if correct what the costs relate to."

The Chair read out a verbal statement in response:

As a member of the Town Council who is not appointed to a committee, please be advised that you may attend a committee meeting as a member of the public at any time. However, Council understands that on this occasion you made written representation as a member of Evolve Penrith.

Finance Committee recognised you as a member of this Council and as such on 13 March 2023 you raised the same question of the Town Clerk.

You were sent an email on 14 March from the Town Clerk informing you of the costings of the meeting on the 13 March.

FIN22/91 Public Participation, continued

This figure was calculated from:

- Meeting venue hire - £16.00 per hour plus set up and take down.
- Staff attendance – working additional hours after normal departure time to attend meeting - £154.
- Stationery and postage - £22.96.
- Research, corresponding to emails and notice preparation - £170 for town clerk hours, DTC (RR), SCM (IP) and Legal.

The costs are estimates and are associated with additional work arising from Councillor Davies's and Councillor M. Clark's request for an extra meeting, which was not scheduled within officer normal working arrangements. The meeting cost approximately, £363.00.

As a Town Councillor you raised the following question in response to the Town Clerks response of 14 March 2023:

"Could I ask in that case for confirmation that the invalid meeting held on 11 July 2022 that was not properly convened cost the town council in excess of one can only equate £1000 to hold and then hold a second time based on the additional time for room hire staffing and printing. I query this as at the time when I asked this, I was told it was not a significant impact on the council costs."

The meeting on 10 July was not properly convened as the summons did not record the venue. This was an administrative error.

The Council rescheduled a Full Council meeting on the 18 July. The Council cannot identify how a figure of £1,000 was arrived at by Councillor Davies. The time of the meeting was 12:30. Officers worked their lunchbreak. The papers were sent out electronically. The summons was circulated. The cost of the meeting was two hours of meeting room hire and the time of the volunteer councillors who so very kindly reconvened the meeting. Total cost of the meeting £32.00.

FIN22/92 Excluded Item: Public Bodies (Admission to Meetings) Act 1960

Members considered whether any items should be considered without the press and public, pursuant to Section 1 (2) of the Public Bodies (Admissions to Meetings) Act, 1960.

RESOLVED THAT:

No items should be considered without the presence of the press and public.

FIN22/93 Payments for Approval

- a) Members noted that prior to the meeting, Cllr. Knaggs and Cllr. Rudhall verified and confirmed that the banking transaction history for January and February 2023 reconciled and agreed with the transactions circulated with the meeting documents.

FIN22/93 Payments for Approval, continued

- b) Members were asked to agree the two Councillors to undertake the payments for approval checking for the next meeting of the Finance Committee to be held on the 24 April 2023.

RESOLVED THAT:

Cllr. C. Shepherd and Cllr. Kenyon check the payments for approval prior to the meeting of the Finance Committee on the 24 April 2023.

- c) Members considered the Monthly Report of Payments for January and February 2023.

RESOLVED THAT:

The Monthly Report of Payments for January and February 2023 be approved.

FIN22/94 Bank Reconciliation

Members considered the Bank Reconciliation for the HSBC Bank account for the period ending 31 January and 28 February 2023.

RESOLVED THAT:

The Bank Reconciliation for the HSBC Bank account for the period ending 31 January and 28 February 2023 be approved and signed by Cllr Knaggs.

FIN22/95 Budgetary Control Statement 2022/23: 28 February 2023

Members considered the Budgetary Control Statement 2022/23 Expenditure for the period to 28 February 2023.

RESOLVED THAT:

The Budgetary Control Statement 2022/23 expenditure for the period to 28 February 2023 be approved and go forward for ratification by Full Council.

FIN22/96 Internal Audit Report

Members considered the Internal Audit report for the period 01 April 2022 to 31 December 2022.

RESOLVED THAT:

- i. The Internal Audit report for the period 01 April 2022 to 31 December 2022 concluded that the Council's control systems are efficient and effective and give the appropriate level of confidence, that the financial statements and reports reflect a true and accurate account of the Council's finance and governance records and the report be approved and go forward for ratification by Full Council.
- ii. The officers be thanked for their work involvement in receiving a positive audit.

FIN22/97 Annual Review of Fees and Charges 2023/24

Members considered the report setting out the Fees and Charges for the financial years 2023/24.

RESOLVED THAT:

The Fees and Charges for 2023/24 financial year be approved and go forward for final ratification by Full Council.

FIN22/98 Banking

- a) Members considered the withdrawal of funds from the CCLA account to supplement the HSBC bank balance to cover payments until the 2023/24 precept is received.
- b) Members considered the withdrawal of funds from the Penrith Building Society to supplement the HSBC bank balance to cover payments until the 2023/24 precept is received.
- c) Members considered the removal of all existing Councillor signatories on the Councils accounts who are not re-elected in May.
- d) Members considered the opening of a current account with Lloyds Bank and the closure of the Council's HSBC account.

RESOLVED THAT:

- i. A sum of £100,000 be transferred from the CCLA account to the HSBC account to cover payments until the 2023/24 precept is received.
- ii. A sum of £50,000 be transferred from the Penrith Building Society account to the HSBC account should logistics prevent the signing of the CCLA forms to cover payments until the 2023/24 precept is received.
- iii. Councillors who are not re-elected in May 2023 be removed as signatories on the Council's bank and investment accounts and this go forward for final ratification by Full Council.
- iv. The Council opens a new current account with the Lloyds Bank and the Council's HSBC account be closed and this go forward for final ratification by Full Council.

FIN22/99 Review of the System of Internal Control 2022/23

Members considered the report setting out a review of the Council's System of Internal Control for the current financial year 2022/23.

RESOLVED THAT:

The review of the Council's System of Internal Control for the current financial year 2022/23 be approved and go forward for final ratification by Full Council.

FIN22/100 Policy Review

Members reviewed the following of the Council's policies:

- a) Code of Conduct
 - b) Dispensations Policy
 - c) Flexible Working Policy
 - d) Financial Regulations with associated policies
-

FIN22/100 Policy Review, continued

- e) Grants Scheme
- f) Partnership Protocol

RESOLVED THAT:

The following policies be approved and go forward for final ratification by Full Council.

- i. Code of Conduct
- ii. Dispensations Policy
- iii. Flexible Working Policy
- iv. Financial Regulations with associated policies
- v. Grants Scheme
- vi. Partnership Protocol

FIN22/101 Scheme of Delegation and Communities Committee Draft Terms of Reference

Members considered the draft Terms of Reference for the Communities Committee and the changes to the Council's Scheme of Delegation.

RESOLVED THAT:

The draft Terms of Reference for the Communities Committee and the Scheme of Delegation be approved and go forward for final ratification by Full Council.

FIN22/101 Community Services Officer – ILCA Award

Members noted that the Council's Community Services Officer has passed The Introduction to Local Council Administration (ILCA) course and noted his pay would increase by one spinal column point backdated to the date of passing the ILCA course.

FIN22/102 Next Meeting

Members noted that the next meeting of the Finance Committee was scheduled for **Monday 24 April 2023 at Penrith Town Council Office, Board Room, Unit 1, Church House at 4.00pm.**

PART II PRIVATE SECTION

There are no further items in this part of the agenda.

CHAIR:



DATE:

24/4/23

**FOR ATTENTION FOR ALL
MEMBERS OF FINANCE COMMITTEE
AND FOR INFORMATION TO THE TOWN COUNCIL**

Access to Information

Copies of the agenda are available for members of the public to inspect prior to the meeting. Agenda and Part I reports are available on the Town Council website: www.penrithtowncouncil.gov.uk

Background Papers

Requests for the background papers to the Part I reports, excluding those papers that contain exempt information, can be made to the Town Clerk via office@penrithtowncouncil.gov.uk.

REPORT TO FULL COUNCIL

Date: 27 March 2023

Public Report

Item no: 7 e

Matter: Review of the System of Internal Control 2022-23

Author: Responsible Finance Officer

Supporting Member: Cllr. Knaggs, Chair of Finance Committee

Purpose of Report:

Ratify the review of the Town Council's system of internal control for the current financial year.

Recommendation

The committee is recommended to:

- a) approve the review of the Council's internal control framework, which concludes that the adopted controls are adequate, appropriate and effective and that they have operated consistently throughout the financial year; and
- b) forward the report to full Council for ratification.

Law and legal implications

The Town Council resolved from 20 May 2019, until the next relevant Annual Meeting of the Council, which having met the conditions of eligibility as defined in the Localism Act 2011 and SI 965 The Parish Councils (General Power of Competence) (Prescribed Conditions) Order 2012, to adopt the General Power of Competence.

1. Report

Governance Requirements

a) Under the Accounts and Audit Regulations 2015, the Town Council must ensure that it has a sound system of internal control which:

- Facilitates the effective exercise of its functions and the achievement of its aims and objectives.
- Ensures that the financial and operational management of the authority is effective.
- Includes effective arrangements for the management of risk.

Additionally, each financial year, the Council must conduct a review of the effectiveness of its system of internal control and prepare an annual governance statement, in accordance with proper practices. This report provides that review.

Internal Audit

b) The Regulations also state that the Council must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance. The Council last reviewed its internal audit arrangements in May 2022, when it concluded that those arrangements were effective for the financial year 2021/22. The same arrangements apply to the current year, so it is reasonable to assume that they continue to be effective. This opinion will be reviewed formally in May this year.

Internal Control Framework

c) The attached framework (Appendix A) summarises the key governance controls operating within the Council. The list of items is not exhaustive, while the headings are included for convenience only. The diagram demonstrates that the Council has all the appropriate elements in place to form a sound framework of internal control.

Review of Effectiveness

d) During the year 2022/23, the Council has maintained all its policies and procedures, updating them where appropriate. It has complied fully with all the controls identified within the framework and has responded appropriately to new responsibilities. For example, during the year to date, the Council has:

- Maintained the General Power of Competence.
- Approved a new Signature Events Grant Policy.
- Adopted the Civility and Respect Pledge.
- Progressed its Neighbourhood Plan.
- Reviewed all risk assessments.
- Planned for the development of Thacka Beck.
- Maintained effective internal control and audit arrangements, confirming that internal audit complies with requirements.
- Continued its planning for local government reorganisation.
- Monitored key governance requirements.

- e) The agenda for this meeting includes the separate interim report from the Council's Internal Auditor, which confirms that the Council's arrangements are satisfactory in all areas examined. This independent opinion contributes to Officers' own opinion that the controls identified in the framework are adequate, appropriate and effective and that they have operated consistently throughout the 2022/23 financial year to date.

Annual Governance Statement (AGS)

- f) The AGS cannot be prepared until after the end of the financial year, prior to approval of the annual accounts, and will be based on the assurance gained from this review of the internal control framework and the final internal audit report.

2. Options Analysis including Risk Assessment

a) Risk

Failure to maintain a sound internal control framework.

b) Consequence

Potential vulnerability to loss or irregularity across a range of governance areas. Criticism from internal/external audit; reputational damage.

c) Controls Required

Sound internal controls that are applied consistently and subject to periodic internal and independent reviews of their effectiveness.

3. Financial Implications

This report has no direct financial implications.

4. Equalities Implications

None identified.

5. Climate Change and Environmental Implications

None identified.

6. Legal Implications

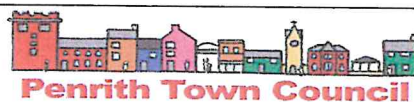
None identified.

Appendices

- Appendix A – Internal Control Framework

Background Papers

- Accounts and Audit Regulations 2015.
- Interim Internal Audit Report 2022/23.



Appendix A

Penrith Town Council

INTERNAL CONTROL FRAMEWORK 2022/23

Statutory & Constitutional	Financial Management	Audit	Risk Management	Employees
<ul style="list-style-type: none"> • Legislation: <ul style="list-style-type: none"> ◦ Local Government ◦ Health & Safety ◦ Equalities ◦ Information Technology ◦ Freedom of Information • Councillors: <ul style="list-style-type: none"> ◦ Standing Orders ◦ Acceptance of Office ◦ Code of Conduct ◦ Register of Interests ◦ Declaration of Interests ◦ Annual Town Meeting • Code of Corporate Governance • Annual Report • Business Plan • Neighbourhood Plan • Community Engagement • Qualified & experienced Town Clerk • Qualified & experienced In House Solicitor 	<ul style="list-style-type: none"> • Financial Regulations • Financial Procedures • Proper Accounting Practices • Procurement Rules • Approval of Expenditure • Approved Budget • Medium Term Forecast • Budgetary Control • Reserves Policy • Investment Policy • Transparency reports • Asset Register • Qualified & Experienced RFO 	<ul style="list-style-type: none"> • Internal Audit • Government and Accountability for Smaller Authorities • Review of Internal Audit Effectiveness • Code of Audit Practice • External Audit • Public Right of Inspection 	<ul style="list-style-type: none"> • Risk Assessments • Health & Safety advice • Legal advice • IT Security • Business Continuity arrangements • Security of Assets • Insurance cover • Due diligence re asset transfers 	<ul style="list-style-type: none"> • Approved establishment • Contracts of employment • Job Descriptions • Staff Policies & Procedures • Staff Handbook • Performance Appraisals



Penrith Town Council

Unit 1, Church House, 19-24 Friargate, Penrith, Cumbria, CA11 7XR

Tel: 01768 899 773 Email: office@penrithtowncouncil.gov.uk

Minutes of the **Ordinary Meeting** of Penrith Town Council held on Monday 27 March 2023.

PRESENT:

Cllr. Bowen	Pategill Ward	Cllr. Knaggs	West Ward
Cllr. Burgin	South Ward	Cllr. Lawson	Carleton Ward
Cllr. Davies	West Ward	Cllr. Rudhall	East Ward
Cllr. Donald	North Ward	Cllr. M. Shepherd	North Ward
Cllr. Holden	Carleton Ward	Cllr. C. Shepherd	East Ward
Cllr. Kenyon	North Ward	Cllr. Snell	West Ward

Town Clerk

Deputy Town Clerk

Community Services Officer

in

MINUTES FOR THE ORDINARY MEETING OF FULL COUNCIL 27 March 2023

PTC22/114 Apologies

Members received apologies from Councillors M. Clark and Hawkins.

PTC22/115 Confirmation of Full Council Minutes

Members considered the draft minutes of the meeting of the Town Council held on:

- a. Full Council Monday 23 January 2023.
- b. Extraordinary Full Council meeting Monday 13 March 2023.

RESOLVED THAT:

The minutes be approved, and the Chair sign the minutes with the following amendment:

From: As the debate opened Cllr. Davies raised a point of order and suggested that..

To: As the debate opened Cllr. Davies suggested that..

The Chair marked and signed the change and signed the minutes.

PTC22/116 Declarations of Interest and Requests for Dispensations

No declarations were received.

PTC22/117 Public Participation

Members noted that there were no questions or representations from members of the public.

PTC22/118 Excluded Item: Public Bodies (Admissions to Meetings) Act 1960

Members noted that there were no items to be considered without the press and public.

Matters from Committees

PTC22/119 Planning Committee

Members noted that:

- a. The Planning Protocol had been reviewed by the Council's Planning Committee on Monday 6 March 2023 and no changes were required. Committee recommended that the protocol be reviewed in 2024 when the Council would have a clearer understanding of the workings of the new unitary council.
- b. The Developer Engagement Policy had been reviewed by the Council's Planning Committee on Monday 6 March 2023 and no changes were required. Committee recommend that the protocol be reviewed in 2027.
- c. The Council's policy schedule had been updated accordingly.

PTC22/120 Planning Committee Continued

Members considered and were asked to ratify:

d. Community Infrastructure Levy (CIL) Policy

RESOLVED THAT:

The policy for CIL as approved by the Council's Planning Committee on Monday 6 March 2023 be ratified.

PTC22/121 Finance Committee

Members were asked to ratify items a. to f. as approved recommendations from the Council's Finance Committee from their meeting held on Monday 20 March 2023.

a. Budgetary Control Statement 2022/23: 28 February 2023

RESOLVED THAT:

The Budgetary Control Statement for the period 28 February 2023 be ratified.

b. Internal Audit Report

RESOLVED THAT:

The Internal Auditors Report for the period 01 April 2022 to 31 December 2022 be ratified.

c. Annual Review of Fees and Charges 2023/24

RESOLVED THAT:

The proposed Fees and Charges for 2023/24 financial year be ratified.

d. Banking

Members noted that:

- i. The Finance Committee approved the transfer of £100,000 from CCLA to the HSBC bank.
- ii. £50,000 may be transferred from Penrith Building Society to the HSBC account if the CCLA signatories were not available and the precept payment from the new authority was delayed.

RESOLVED THAT:

- iii. The removal of all existing councillor signatories on the Councils accounts who are not re-elected in May be ratified.

RESOLVED THAT:

- iv. The opening of a current account with Lloyds Bank Penrith and the closure of the Council's HSBC account further to resolution FIN21/101 25 April 2022 be ratified.

5

PTC22/122 Finance Committee Continued

e. Review of the System of Internal Control 2022/23

RESOLVED THAT:

The review of the Council's system of Internal Control be ratified.

f. Policy Review

Ratify the following reviewed policies:

- i. Code of Conduct.

RESOLVED THAT:

The Code of Conduct be ratified.

- ii. Dispensations Policy.

RESOLVED THAT:

The Dispensations Policy be ratified.

- iii. Flexible Working Policy.

RESOLVED THAT:

The Flexible Working Policy be ratified.

- iv. Financial Regulations with associated policies.

RESOLVED THAT:

The Financial regulations be ratified.

- v. Grants Scheme.

A recorded vote was requested when there were:

For: 10 - Councillors Bowen, Burgin, Holden, Kenyon, Knaggs, Lawson, Rudhall, M Shepherd, C Shepherd and Snell

Against: 1 - Councillor Davies

Abstentions: 1 - Councillor Donald

RESOLVED THAT:

The Grants Scheme be ratified.

- vi. Partnership Protocol.

RESOLVED THAT:

The Partnership Protocol be ratified.

g. Scheme of Delegation and Communities Committee Draft Terms of Reference

RESOLVED THAT:

The Terms of Reference for the Communities Committee and the amended Scheme of Delegation be ratified.

PTC22/123 Resolutions Tracker

Members noted the report.

PTC22/124 Draft Neighbourhood Plan Update

Members noted the oral report.

PTC22/125 Borderlands Update

Members noted the report.

PTC22/126 Penrith Arts and Culture Update

Members considered the report and recommendations contained within.

RESOLVED THAT:

The hosting and ownership of a community website to promote arts and culture Penrith be approved.

PTC22/127 Penrith Town Working Group – Marketing & Branding

Members considered the report and recommendations contained within.

Councillor Kenyon left the meeting temporarily and returned to resume his participation.

RESOLVED THAT:

The draft design logo be re-worked in collaboration with stakeholders. Council acknowledge the contributions of the stakeholder group.

PTC22/128 Grants

Members considered the grants report and recommendations contained within.

RESOLVED THAT:

A grant award of £4525 be made to Penrith Lions with a supporting service level agreement.

PTC22/129 Next Meeting

The Chair took the opportunity to thank everyone for their contributions for the last four years and thanked the Council Officers who have provided support and guidance to Members throughout the term.

Note the next meeting of the new Council will be the Annual Town Council meeting scheduled for Monday 15 May 2023 at 6.00pm, Unit 2, Church House, Friargate, Penrith.

PART II – PRIVATE SECTION

No matters.

CHAIR:



DATE:

15th MAY 2023 .



**INTERIM REPORT BY THE INTERNAL AUDITOR TO
PENRITH TOWN COUNCIL
PERIOD 1ST APRIL 2022 – 31ST DECEMBER 2022.
FINANCIAL YEAR ENDING 31 MARCH 2023**

I confirm I have, on the 7TH February 2023 undertaken an interim audit for the period 1st April 2022 – 31st December 2022 in accordance with the Account and Audit Regulations (England) 2015 and incorporating any new requirements as outlined in "Governance and Accountability for Smaller Authorities in England" March 2022

The following areas have been inspected to verify the internal financial procedures and governance documents are appropriate and relevant, to ensure compliance with all statutory and outlined criteria.

A. Appropriate accounting records have been accurately kept throughout the financial year.

Periodic bank account reconciliations were properly carried out during the year.

The Council operates a commercial accounting package – Sage, which is comprehensive and fulfils the requirements needed to complete all monthly and cumulative Income and Expenditure accounts as required by the Regulations. All expenditure and income are coded to the Council's budgeted headings, allowing immediate identification of spending in each budget sector and enables monthly management accounts to be prepared. There is the additional security by an internal checking system to monitor the accuracy of the data input into the computerised accounts. Backup procedures are undertaken by means of external hard drive and the system provides a robust procedure to safeguard computer records.

Bank reconciliations are prepared monthly and the signature of a Member on this document and the corresponding bank statement verifies the accuracy of the information.

The council has an Investment Policy, which deals with all cash reserves in excess £100,000. The earmarked sums are clearly designated to specific commitments; e.g. Election/By-election expenses. An initial allocation of £30,000 has been set aside for forthcoming elections in May 2023.

Subsequently, a sum of £5000 will be allocated annually.

B. The authority complied with its Financial Regulations; invoices supported payments, and VAT was appropriately accounted for.

There is a well-documented process for the awarding of tenders and acquisition of goods and services. All procedures adhere to Financial Regulations.

The record verifies the internal financial controls in the Minutes and signatures on the relevant documents. There is clear segregation from the approval of members of the schedule of payments and the release of funds.

Vat is reconciled in the Sage accounts and the reclaims are made monthly. Repayments are made to the Council's bank account and agree with the monthly claims.

C. The authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

The Clerk/RFO has a robust process for ensuring that all documents are reviewed at the Annual Council Meeting or scheduled for a set review later in the financial year.

Additionally, reviewed annually are the comprehensive Policies and Procedures

D. The precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored. Reserves are appropriate.

There is clear documented evidence of the budget process with a comprehensive RFO report with accompanying explanations of all budget figures. Outcomes are clearly specified enabling the Council to make informed decisions on the appropriate precept level to fulfil all documented service delivery plans.

Submission is made to the District Council within the required deadline. The budget is regularly monitored. Earmarked reserves in cash balances are clearly documented.

The General Reserve is appropriate to enable the Council to meet budgeted expenditure.

E. Expected income was fully received based on correct prices, properly recorded and promptly banked. Vat was appropriately recorded

Income other than the precept is minimal and closely monitored and documented. Services charged provided by the Council are reviewed annually. An Allotment Association with the fee of £450 being paid annually operates allotments.

Other income arises from the hiring of the Band Stand .

F. Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT accounted and reclaimed

Not relevant. The Council operates Debit Cards held by three officers. A receipt for the acquisition of the goods and/or services verifies all expenditure.

VAT is identified and allocated to the appropriate budget heading.

All expenditure is included in the schedule of payments presented to Council.

G. Salaries to employees and allowances to members were paid in accordance with the council's approvals. PAYE and NI requirements were properly applied.

All staff has a formal contract of employment. Members do not claim allowances.

The appointment of the Responsible Financial Officer (RFO) as of 12th September 2022 was recorded in the Minutes and approved – Meeting 26th September 2022. Minute No. 6 i, ii.

Salaries paid to staff are documented and subsequent payments are as authorised by the Council. All PAYE, NI, Pension calculations are operated externally. of payments. All payments to HMRC and the Pension provider are up to date.

H. Asset and investment registers were complete and accurate and properly maintained.

There is a formal asset register with all substantial and material assets included.

The register is monitored and all acquisitions and disposals are amended as required.

There is formal review and adoption prior to the conclusion of the appropriate year Annual Governance and Accountability Return (AGAR). All assets are adequately covered by insurance and all are index linked, renewal being May annually with the provider- Hiscox.

J. Accounting Statement.

Correct preparation of the accounts for the AGAR will be confirmed at the final audit for the 2022-2023 financial year.

K. Exemption Authorities.

Not applicable

L. The authority publishes information on a website, up to date at the time of the internal audit in accordance with the relevant transparency code requirements.

The Clerk/RFO has displayed on the website comprehensive information which is in the interests of best practice and provides for the electorate of Penrith Town Council open and transparent detail of the financial and other activity of the Council.

M. The authority has, during the previous year, correctly provided for the exercise of public rights as required by the Account and Audit Regulations.

Regulation 12(3) Accounts and Audit Regulations 2015 requires the Responsible Financial Officer (RFO) to publish a Notice of Public Rights of inspection of accounts for a period of thirty days which must include the first 10 working days in July.

Inspection of document confirms that the RFO has undertaken the obligation. The date the notice was posted being 12th June 2022 with inspection period 13th June 2022 – 22nd July 2022.

N. The authority complied with the publication requirements of the prior year AGAR

The Local Audit and Accountability Act 2014 Sct 20(2) & 25 and The Accounts and Audit (England) Regulations 2015 (S1 2015/234) requires a Council to publish, as soon as reasonably practicable, after the conclusion of the audit, a statement on the website advising that the 2021-22 Audit has been completed. The Clerk/RFO has undertaken the requirement and the Notice of Conclusion of Audit was published on the website 31st August 2022.

The conclusion of audit was notified to Council – 26th September 2022- Minute No. 13 a/b.

The 2021-2022 AGAR received no comments from the External Auditor or matters arising, confirming that Penrith Town Council was fully compliant with all statutory obligations under the Accounts and Audit Regulations.

CONCLUSION

The Council's control systems are efficient and effective and give the appropriate level of confidence, that the financial statements and reports reflect a true and accurate account of the Council's finance and governance records.

I express my appreciation to the Officers of the Council for their assistance in facilitating the audit with help and very comprehensive preparation of all required documentation.

A handwritten signature in black ink, appearing to read 'G. Airey', with a large, stylized 'V' or checkmark flourish at the bottom right.

Georgina D Airey – Internal Auditor 7TH FEBRUARY 2023.

FINAL REPORT BY THE INTERNAL AUDITOR TO PENRITH TOWN COUNCIL
1ST APRIL 2022- 31ST MARCH 2023
FINANCIAL YEAR ENDING 31ST MARCH 2023

Introduction

This final report for the financial year 1st April 2022 to 31st March 2023 covers elements required by the Account and Audit Regulations (England) 2015 which were not covered in the interim report for the period 1st April 2022 – 30th December 2022.

I confirm I have, on the 18th April 2023 undertaken a final audit which covers the period 1st January 2023 to 31st March 2023 in accordance with the Account and Audit Regulations (England) 2015 as outlined in the schedule previously circulated and approved by Council and incorporating any new requirements as outlined in "Governance and Accountability for Smaller Authorities in England" March 2023

Appropriate accounting records have been kept throughout the year.

The completed 2023 Annual Governance and Accountability Return (AGAR) confirms that the closing balance at 31st March 2022 has been correctly carried forward to 1st April 2023 to commence the financial year.

The bank reconciliation at 31st March 2023 correctly reflects the balances on all bank accounts.

The Council having reserve cash funds in excess of £100,000 has identified the need for an investment strategy with clear aims and objectives, namely to consider security, liquidity, yield, here listed in order of priority.

The Council has a comprehensive investment policy, and strategy for reserves, which were adopted 19th January 2023.

A full report was available for inspection which had been prepared for presentation to the Finance Committee to be held on 24th April 2023 and to be further ratified at the full Council meeting in May. The investment strategy is to be subject to review annually.

The authority complied with its financial regulations, invoices supported payments, all expenditure was approved and VAT was accounted for.

The rigorous tendering process for goods and services was evidenced by the documentation made available. All tenders and quotes adhere to the up to date Financial Regulations.

A selection of financial transactions was reviewed in excess of £2000.00 all were supported by a clear audit trail.

Vat reclaims are prepared on a monthly basis. Evidence was available to confirm the reclaims for January, February and March. – Sage Reconciliation, Sage Transactions and HMRC verification.

The claim for the final month of the financial year 31st March 2023 had been reconciled and submitted to HMRC - £1339.51.

The authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

All aspects of this section were covered in the interim report. Further financial risks were identified and controls documented in the report to the Finance Committee when recommended to review the outturn report for the financial year 31st March 2023 and recommend its acceptance to Full Council

The Precept requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored and reserves are appropriate.

The Responsible Financial Officer (RFO) with full explanations of the recommendations prepares a budget report and it is presented to the Finance Committee for approval and development prior to recommendations being made to Council. The Council subsequently approves the budget and notes in the Minutes the precept to be requested for the 2023-2023 financial year. -

The budget is set in time to comply with the District Council's timetable.

Expected income was fully received based on correct prices, properly recorded and promptly banked and VAT appropriately accounted for.

The Council has minimal income from sources other than the Precept. Where received, it is properly recorded and promptly banked. No cash income.

The Council has 200 allotment plots allocated over 4 sites. Penrith Allotment Association operates the sites on the Council behalf.

Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.

The Council does not operate a Petty Cash account. Sums incurred on Debit Cards are fully supported by invoices/receipts. VAT is identified and purchases are allocated to the appropriate budget headings.

Salaries to employees and allowances to members were paid in accordance with the authority's approvals and PAYE and NI requirements were properly applied

All payments reflect salary scales approved by Council. Returns to HMRC are processed by the external accountant. The record with all deductions for staff was properly prepared and available for inspection.

Assets and investments register were completed and accurate and properly maintained.

The Asset Register for the current financial year has been completed and will be reviewed and adopted, as it is annually, to a scheduled timetable ensuring accuracy for completion of the 2022-2023 AGAR.

All investments adhere to the Investment Strategy.

Accounting statements prepared during the year were prepared on the correct accounting basis – income and expenditure , all schedules, etc agreed and were supported by an adequate audit trail from the core Sage accounts. Debtors and Creditors were properly recorded. The Council has published on the website all documentation required under relevant legislation.

The Council accounts are prepared on an Income and Expenditure basis as required by the Accounts and Audit regulations being an authority with income/ expenditure in excess of £200,000. The Sage Accounts clearly identifies Debtors, Creditors, Receipts in Advance, and Accruals.

It is confirmed that the Council is fully compliant with requirements to publish information in line with relevant legislation.

The audit reports confirm that Penrith Town Council has fulfilled its statutory obligations and all finance and procedures comply with legislation. The comprehensive website ensures the electorate is fully aware of the use of all public funds.

I wish to express my appreciation to the Responsible Financial Officer for the of preparation all relevant financial documents and reports and for the assistance of the Town Clerk and all Officers for comprehensive governance documents and the completeness of information on the website which facilitated the audit.

A handwritten signature in black ink, appearing to read 'Georgina D Airey', with a stylized flourish at the end.

Georgina D Airey - Internal Auditor – 20th April 2023.