

40-11/8

Local Councils, Internal Drainage Boards and other Smaller Authorities in England

Annual return for the year ended 31 March 2016

Every smaller authority in England with an annual turnover of £6.5 million or less must complete an annual return at the end of each financial year in accordance with proper practices summarising its activities. In this annual return the term 'smaller authority'* includes a Parish Meeting, a Parish Council, a Town Council and an Internal Drainage Board.

The annual return on pages 2 to 4 is made up of three sections:

- Sections 1 and 2 are completed by the smaller authority. Smaller authorities must approve Section 1 before Section 2.
- Section 3 is completed by the external auditor.

In addition, the **internal audit report** is completed by the smaller authority's internal audit provider.

Each smaller authority must approve Sections 1 and 2 of this annual return no later than 30 June 2016.

Completing your annual return

Guidance notes, including a completion checklist, are provided on page 6 and at relevant points in the annual return.

Complete all highlighted sections. Do not leave any highlighted box blank. Incomplete or incorrect returns require additional external auditor work and may incur additional costs.

Send the annual return, together with the bank reconciliation as at 31 March 2016, an explanation of any significant year on year variances in the accounting statements, **your notification of the commencement date of the period for the exercise of public rights** and any additional information requested, to your external auditor by the due date.

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

Once the external auditor has completed their work, certified annual returns will be returned to the smaller authority for publication or public display of Sections 1, 2 and 3. You must publish or display the annual return, including the external auditor's report, by 30 September 2016.

It should not be necessary for you to contact the external auditor for guidance.

More guidance on completing this annual return is available in the Practitioners' Guides that can be downloaded from www.nalc.gov.uk or from www.slcc.co.uk or from www.ada.org.uk

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

Section 1 – Annual governance statement 2015/16

We acknowledge as the members of:

Enter name of smaller authority here:

BERWICK UPON TWEED TOWN COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including 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 2016, that:

	Agreed		'Yes' means that this smaller 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 smaller authority to conduct its business or on 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 smaller authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		considered the financial and other risks it faces and has 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 smaller 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	NA
			has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.

This annual governance statement is approved by this smaller authority and recorded as minute reference:

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dated **27/6/16**

Signed by:

Chair

J. Dixon (SIGNED REQUIRED)

dated

27/6/16

Signed by:

Clerk

Pw Pathison

dated

27/6/16

*Note: Please provide explanations to the external auditor on a separate sheet for each 'No' response. Describe how this smaller authority will address the weaknesses identified.

Section 2 – Accounting statements 2015/16 for

Enter name of smaller authority here:

BERWICK UPON TWEED TOWN COUNCIL

	Year ending		Notes and guidance				
	31 March 2015 £	31 March 2016 £					
			Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.				
1. Balances brought forward	325291	366151	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	218220	218200	Total amount of precept or (for IDBs) rates and levies received or receivable in the year. Exclude any grants received.				
3. (+) Total other receipts	112496	206003	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	79959	98523	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.				
5. (-) Loan interest/capital repayments	NONE	NONE	Total expenditure or payments of capital and interest made during the year on the smaller authority's borrowings (if any).				
6. (-) All other payments	209897	280075	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).				
7. (=) Balances carried forward	366151	411756	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	382453	401107	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	754042	766179	The original Asset and Investment Register value of all fixed assets, plus other long term assets owned by the smaller authority as at 31 March				
10. Total borrowings			The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).				
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">Yes</td> <td style="width: 50%; text-align: center;">No</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	Yes	No	<input type="checkbox"/>	<input type="checkbox"/>	The Council acts as sole trustee for and is responsible for managing Trust funds or assets. N.B. The figures in the accounting statements above do not include any Trust transactions.
Yes	No						
<input type="checkbox"/>	<input type="checkbox"/>						

I certify that for the year ended 31 March 2016 the accounting statements in this annual return present fairly the financial position of this smaller authority and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer

P. W. Pattison

Date 27/6/16

I confirm that these accounting statements were approved by this smaller authority on this date:

27/6/16

and recorded as minute reference:

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Signed by Chair of the meeting approving these accounting statements.

J. Dixon

Date 27/6/16

Section 3 – External auditor certificate and report 2015/16 Certificate

We certify that we have completed our review of the annual return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2016 in respect of:

Enter name of
smaller authority here:

Berwick Town Council

Respective responsibilities of the body and the auditor

This smaller authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The smaller authority prepares an annual return in accordance with proper practices which:

- summarises the accounting records for the year ended 31 March 2016; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

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

External auditor report

(Except for the matters reported below)* on the basis of our review of the annual return, in our opinion the information in the annual return is in accordance with proper practices and no matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met. (~~*delete as appropriate~~).

The Council failed to maintain an adequate system of internal control, as required under Regulation 4 and 5 of the Accounts and Audit (England) Regulations 2015.

(continue on a separate sheet if required)

BDO LLP Southampton
United Kingdom

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

Please see enclosed report

(continue on a separate sheet if required)

BDO LLP Southampton
United Kingdom

External auditor signature

BDO LLP

External auditor name

BDO LLP Southampton
United Kingdom

Date

30/9/16

Note: The NAO issued guidance applicable to external auditors work on 2015/16 accounts in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Annual internal audit report 2015/16 to

Enter name of smaller authority here:

BERWICK UPON TWEED TOWN COUNCIL

This smaller authority's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2016.

Internal audit has been carried out in accordance with this smaller 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 smaller authority.

Internal control objective	Agreed? Please choose only one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been kept properly throughout the year.	✓		
B. This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This smaller 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 smaller authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic and year-end bank account reconciliations were properly carried out.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

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

Name of person who carried out the internal audit

NARWLEY-BIRCH

Signature of person who carried out the internal audit

Narwley Birch

Date

14/6/2016

*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, internal audit must explain why not (add separate sheets if needed).

Guidance notes on completing the 2015/16 annual return

1. You must apply proper practices for preparing this annual return. Proper practices are found in the Practitioners' Guide* which is updated from time to time and contains everything you should need to prepare successfully for your financial year-end and the subsequent work by the auditor. NALC, SLCC and ADA have helplines if you want to talk through any problem you encounter.
2. Make sure that your annual return is complete (i.e. no empty highlighted boxes), and is properly signed and dated. Avoid making amendments to the completed return. Any amendments must be approved by the smaller authority, properly initialled and explanation provided. Annual returns containing unapproved or unexplained amendments will be returned and may incur additional costs. **Smaller authorities must approve the annual governance statement before approving the accounts.**
3. Use the checklist provided below. Use a second pair of eyes, perhaps a Councillor or Board Member, to review the annual return for completeness before sending it to the external auditor.
4. Do not send the external auditor any information not specifically asked for. Doing so is not helpful. However, you must tell the external auditor about any change of Clerk, Responsible Finance Officer or Chair.
5. Make sure that the copy of the bank reconciliation which you send to your external auditor with the annual return covers all your bank accounts. If your smaller authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree your bank reconciliation to Box 8 on the accounting statements (**Section 2 on page 3**). You must provide an explanation for any difference between Box 7 and Box 8. More help on bank reconciliation is available in the Practitioners' Guide*.
6. Explain fully significant variances in the accounting statements on **page 3**. Do not just send in a copy of your detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete analysis to support your explanation. There are a number of examples provided in the Practitioners' Guide* to assist you.
7. If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or you do not fully explain variances, this may incur additional costs for which the auditor will make a charge. **From 2016 onwards, you must inform the auditor of the date set for the commencement of the period for the exercise of public rights.**
8. Make sure that your accounting statements add up and the balance carried forward from the previous year (Box 7 of 2015) equals the balance brought forward in the current year (Box 1 of 2016).
9. Do not complete Section 3 which is reserved for the external auditor.

Completion checklist – 'No' answers mean you may not have met requirements		Done?
All sections	All highlighted boxes have been completed?	
	All additional information requested, including the dates set for the period for the exercise of public rights , has been provided for the external auditor?	
Section 1	For any statement to which the response is 'no', an explanation is provided?	
Section 2	Smaller authority approval of the accounting statements is confirmed by the signature of the Chair of the approval meeting?	
	An explanation of significant variations from last year to this year is provided?	
	Bank reconciliation as at 31 March 2016 agreed to Box 8?	
	An explanation of any difference between Box 7 and Box 8 is provided?	
Sections 1 and 2	Trust funds – all disclosures made if a Council is a sole managing trustee? NB: Do not send trust accounting statements unless requested.	
Internal Audit report	All highlighted boxes completed by internal audit and explanations provided?	

*Note: Practitioners' Guides are available from your local NALC, SLCC or ADA representatives or from www.nalc.gov.uk or www.slcc.co.uk or www.ada.org.uk.

Forward Plan

1. Members will note the length and variety of material on each council agenda.
2. Council is required to receive certain reports on a regular basis by its Financial Regulations – for instance an annual review of the asset register (Reg 10.3), a quarterly review of the risk register (11.3) and, of course the annual process of budgeting, setting a precept and agreeing an annual return and accounts.
3. Council also regularly receives requests from elected members to place items on the agenda.
4. The result is a sometimes difficult to manage agenda process, and the risk that required items of business might be overlooked.
5. Standing Order 3v requires that no meeting be more than two hours in length.
6. It is therefore proposed to institute a forward plan process, whereby, at each meeting, council receives a report of scheduled business for future meetings, and a list of items requested by elected members that council might consider. This would then enable elected members to indicate their priorities for future meetings.

Recommendation

1. That council resolves to begin receiving a forward plan report at its meetings, beginning on 7th November 2016, and
2. That the Interim Town Clerk circulate to members a proforma for requesting items be considered for the forward plan.

External Audit

1. The external audit report for 2015-16 has been received.
2. A copy of the Issues Arising report, along with the Annual Return and Auditors certificate, will be circulated under separate cover.
3. A detailed action plan to address the issues arising will be presented to council on November 7th.
4. It will cover four areas; processes and procedures (including the adoption of the recommendations of the Warren Report), risk management, record keeping and the updating of standing orders and financial regulations.

Recommendation

1. Members are recommended to approve and accept the annual return and the auditors certificate, and
2. To require the Interim Clerk and RFO to produce, to the next meeting of council, a detailed action plan.

Tendering rules

1. Council has initiated a tendering process for the supply and installation of two play parks.
2. Five tenders were opened at the office on unspecified dates, and have now been recorded in a register of tenders although this was not done at the time they were opened, and the councillor present has not been recorded. The lack of a register of tenders and the recording of the receipt tenders after the event, but not recording who supervised their opening is an apparent breach of Financial Regulation 7.3.
3. Steps have been taken to initiate a register of tenders received, and a process note regarding the receipt of tenders is being prepared.
4. During week commencing 10/10/2016 representations were received from elected members that the process of selecting the winning tenders should begin, and that a tender panel should be formed. Members were concerned that in one case external funding might be lost.
5. In turn other members have expressed concerns that the tender process has not been in compliance with section 7 of the Financial Regulations.
6. A tender panel was therefore convened, on the authority of the RFO. It is not clear from the Financial Regulations if this is a power than can be delegated, but the RFO at the time took the view that once council had chosen to initiate a tender exercise, the RFO is the accountable person responsible for ensuring that the tender panel required by the regulations meets.
7. In the absence of clear documentation it is possible that a breach of Financial Regulations 7.3 has arisen with regard to the process of inviting contractors to tender for the work.
8. In view of the lack of clarity of section 7.3 with regard to who has the power to summon members to a tender panel, and its status (it is not clear under the regulations whether the tender panel is a committee of council or a working group, or who appoints it members) an inadvertent breach of financial regulation 7.3 may have arisen.
9. Power to waive a financial regulation rests with council (regulation 1.4) and it is for council to decide if, on this occasion, bearing in mind the over-riding principles specified in regulation 7.1, that council should take reasonable steps to secure value for money and to demonstrate propriety, it wishes to waive regulation 7.3, or, alternatively, to certify that it believes all steps have been taken in accordance with regulation 7.3.
10. Council is required by the financial regulations to learn from any inadvertent breach of regulations, and new processes may be required to make it possible for council to demonstrate fully that it has complied with the procurement regulations.

Recommendations

1. That council decide whether it is satisfied that reasonable steps have been taken to secure value for money and to demonstrate propriety, and that it is appropriate to waive Financial Regulation 7.3 sufficiently to enable this tender process to proceed, OR

2. Council certifies that it is satisfied all reasonable efforts have been taken to comply with Section 7.3 of the financial regulations, and that it will receive the report of the tender panel on November 7th
3. To require a further report from the RFO on the preparation of appropriate processes to enable the tender process to be fully documented in order to demonstrate that it has learned from the breaches and issues identified.

Berwick Station Travel Plan Partnership Agreement

1. Your town clerk has previously negotiated with Virgin Trains in order to secure for the Town Council a place on the Berwick Station Travel Plan Partnership.
2. Correspondence from Virgin trains appears to have gone unanswered recently, until the partnership co-ordinator sought to contact the Interim Town Clerk.
3. Provisionally, the Interim Town Clerk has indicated to Virgin trains your wish to be represented on the partnership. There are no financial implications involved in membership of the partnership, which will meet in Berwick.
4. Virgin do stipulate that they prefer the same representative to attend each meeting of the partnership.
5. Council will need to choose whether it appoints
 - a. a councillor, or
 - b. a member of staff to attend each meeting, bearing in mind the capacity constraints faced by your staff.

Recommendations

1. That a named councillor be identified as the council's representative on the partnership, and that that councillor be responsible for representing the town council and its policy at the meetings,
2. That council should identify a substitute councillor to deputize for the named councillor if they cannot attend,
3. That, where it is not possible for reasons of urgency, for any issues to be raised at a meeting of the council, that the named councillor shall discuss the agenda for the partnership meetings with the Town Clerk before attending each meeting, and
4. That where there is an issue to be decided at the partnership meeting and council cannot be consulted, council delegates to the clerk the authority to decide the best course of action to be taken by the council's representative at the partnership meeting.

Remembrance Day Events Taking Place on Sunday 13 November 2016

This year's Civic Service of Remembrance will take place at St Andrew's Wallace Green and Lowick Church Of Scotland at 9.45 am on Remembrance Day, Sunday 13 November.

The Service, during which the Town Mayor will lay a wreath, will be conducted by the Reverend Doctor Adam Hood and the Reverend Dennis Handley. Stuart Birkett, Deputy Lieutenant, will represent the Lord Lieutenant of Northumberland.

At the close of the Service, the Civic Party, Clergy, Service units, Royal British Legion and other organisations will proceed to the War Memorial in Castlegate for the Royal British Legion Service of Remembrance, which will begin at 10.55 am. Parade Commander will be Captain Keith Marchant, of Berwick Detachment, Northumbria Army Cadet Force and the parade will be accompanied by the Berwick-upon-Tweed (Royal British Legion) Pipe Band.

Music at the War Memorial will be provided by the Berwick Concert Society Band.

Following the two minute silence at 11 am, local organisations will lay wreaths at the War Memorial, before the Civic Party and Clergy, followed by the Parade, move down Castlegate and Marygate to the Town Hall, where the Town Mayor, Councillor Ivor Dixon, will take the salute on the Town Hall steps.

The Mayor will also attend services and lay wreaths at Tweedmouth War Memorial, at 12.15 pm, and Spittal War Memorial at 12.45 pm.

The Civic Party will attend a 6 pm Evening Service at Berwick Parish Church, laying a wreath during the service on behalf of the people of Berwick-upon-Tweed, as part of the formal Act of Remembrance.



ISSUES ARISING REPORT FOR
Berwick-upon-Tweed Town Council
Audit for the year ended 31 March 2016

Introduction

The following matters have been raised to draw items to the attention of Berwick-upon-Tweed Town Council. These matters came to the attention of BDO LLP during the audit of the annual return for the year ended 31 March 2016. This report must be presented to a full meeting of the smaller authority for review.

The audit of the annual return may not disclose all shortcomings of the systems as some matters may not have come to the attention of the auditor. For this reason, the matters raised may not be the only ones that exist.

The matters listed below are explained in further detail on the page(s) that follow;

- Section 2 - Trust Funds Disclosure Note
 - Minor issues
 - Minuting Approval of the Annual Return
 - Financial regulations and standing orders need updating
 - Financial Management
 - Risk Assessment - approved at a sub committee
 - Minutes
-

The following issue(s) have resulted in the annual return being qualified. They indicate a weakness in the council's procedures and require the council to take immediate action.

Financial Management

What is the issue?

During the year a review of the financial management was undertaken by an independent consultant. No evidence of any improper expenditure was found but 30 recommendations were made.

Why has this issue been raised?

The report was critical and stated that the system of internal control was not fit for purpose. There are weaknesses which expose the council to significant risk.

The Accounts and Audit Regulations specify that the council is responsible for implementing internal controls that are adequate and effective.

What do we recommend you do?

It is imperative that corrective action, as recommended in the 30 recommendations made in the report, are acted upon quickly to ensure that a more robust system of internal control exists.

Further guidance on this matter can be obtained from the following source(s):

Not applicable

The following issue(s) have been raised as there are minor errors on the annual return which we wish to draw to the attention of the council so they do not occur again in future years.

Section 2 - Trust Funds Disclosure Note

What is the issue?

The council has not answered box 11 in error in Section 2 of the annual return. We believe based on the prior year information that the authority should have answered 'No'.

Why has this issue been raised?

The disclosure on the annual return has not been completed, however we believe that the council is not the sole trustee of any charities.

What do we recommend you do?

The council should ensure in future years that it answers 'No', that the council does not act as the sole trustee for and is not responsible for managing trust funds or assets.

Further guidance on this matter can be obtained from the following source(s):

Governance and Accountability in Local Councils in England - A Practitioners' Guide, NALC/SLCC

Minor issues

What is the issue?

The following issues have been raised as minor issues or omissions have been identified in the current year's Annual Return:

There are empty boxes in section 2 of the annual return. We do not believe there should be any figures in these boxes but they should include a nil or zero to confirm this.

The precept figure disclosed in box 2 of the accounting statements does not agree by £20 to the notification given by the principal body.

Why has this issue been raised?

This is to draw these minor errors to the attention of the smaller authority.

What do we recommend you do?

The smaller authority should ensure in future years that the above minor errors or omissions are not included in the Accounting Statements.

Further guidance on this matter can be obtained from the following source(s):

Governance and Accountability in Local Councils in England - A Practitioners Guide, NALC/SLCC

The following issue(s) have been raised to assist the council. The council is recommended to take action on the following issue(s) to ensure that the council acts within its statutory and regulatory framework.

Minuting Approval of the Annual Return

What is the issue?

The minutes supplied did not specifically minute the smaller authority's approval of Section 1 - Annual Governance Statement and Section 2 - Accounting Statements.

Why has this issue been raised?

Failure to minute the approval of the Annual Governance Statement and the Accounting Statements has exposed the smaller authority to undue risk of non adoption of the Annual Return.

What do we recommend you do?

The smaller authority must ensure in future years that the minutes clearly state its acceptance of Section 1 - Annual Governance Statement, the minutes record their specific answers to Section 1 and its acceptance of Section 2 - Accounting statements.

It is essential that minutes clearly record the decisions of the smaller authority as they are the lawful record of the events of the meetings.

Further guidance on this matter can be obtained from the following source(s):

Local Council Administration, 8th Edition, Charles Arnold-Baker; Chapter 7

Financial regulations and standing orders need updating

What is the issue?

The smaller authority's Financial Regulations and Standing Orders require updating, as they do not refer to the Accounts and Audit Regulations 2015, but to an older outdated version.

Why has this issue been raised?

The smaller authority is at risk of not conducting its business legally, efficiently and effectively.

What do we recommend you do?

If the smaller authority have not yet updated the Standing Orders and Financial Regulations they must do so as soon as possible or in any event before the end of the current financial year.

The smaller authority can contact its local NALC representative who will be able to provide the smaller authority with an updated model set of Standing Orders and Financial Regulations, which incorporate the changes introduced by the Accounts and Audit Regulations 2015, which the smaller authority should review, amend if necessary and formally adopt. This adoption must be minuted and the minute reference and date recorded on the Financial Regulations for future reference.

Further guidance on this matter can be obtained from the following source(s):

NALC representative, NALC website - (www.nalc.gov.uk)

Risk Assessment - approved at a sub committee*What is the issue?*

The smaller authority has minuted its review of the internal controls which include a review of the risk assessment during the year at a sub committee of the full smaller authority.

Why has this issue been raised?

The Accounts and Audit Regulations 2015, require the approval of a risk assessment at a full meeting and not at a sub committee of the smaller authority. Although the minutes of the sub committee were reviewed by the full smaller authority, it did not minute its acceptance of the risk assessment.

What do we recommend you do?

The smaller authority must ensure in future years that the risk assessment is reviewed by a full meeting and not a sub committee.

Further guidance on this matter can be obtained from the following source(s):

The Accounts and Audit Regulations 2015

Minutes*What is the issue?*

The smaller authority produced printed minutes, which were submitted for audit purposes. The pages were not consecutively numbered or initialled by the person signing the minutes.

Why has this issue been raised?

This smaller authority submitted minutes for audit purposes which were not maintained in accordance with schedule 12, paragraph 41(2) of the Local Government Act 1972.

What do we recommend you do?

The smaller authority should ensure with immediate effect that if a loose leaf minute books is maintained the loose leaf pages are consecutively numbered and initialled by the person signing the minutes.

Minutes must be maintained in accordance with the Local Government Act 1972. Loose leaf minute books are lawful but the loose leaf pages must be consecutively numbered and each page must be initialled by the person signing the minutes.

Further guidance on this matter can be obtained from the following source(s):

Local Council Administration, 7th Edition, Charles Arnold-Baker, Chapter 7

No other matters came to our attention.

For and on behalf of
BDO LLP

Date: 30 September 2016

NOTICE OF CONCLUSION OF AUDIT

(LOCAL AUDIT AND ACCOUNTABILITY ACT 2014
ACCOUNTS AND AUDIT REGULATIONS 2015)

FOR

Berwick-upon-Tweed Town Council

NOTICE is hereby given that the audit for the
year ended 31 March 2016 was completed on

30 September 2016

and the accounts are now available for inspection by local electors
in accordance with Section 25 of the Local Audit and Accountability Act 2014.
The requisite information as defined by Section 13(1) of the Accounts and Audit
Regulations 2015 is/is not* displayed alongside this notice

(* Please delete as necessary)

If the requisite information is not displayed alongside
this notice, it is available for inspection by appointment.

To arrange a viewing please contact

S Cozens
Berwick-upon-Tweed Town Council
Unit 5, The Chandlery, Quayside,
Berwick-upon-Tweed. TD15 1HE Tel: 01289 302391

between the hours of _____ and _____

Dated: 10th October 2016

Signed: 

(Responsible Financial Officer)