

## MORECAMBE TOWN COUNCIL

**Summons to attend the Meeting of Finance & Governance Committee**  
**Due to the Covid19 pandemic and related restrictions the meeting will be held**  
**remotely using the Zoom Cloud meetings application on**  
**Wednesday 20<sup>th</sup> May 2020 commencing at 11:00am**

### AGENDA

- 20009. **Apologies for Absence.**
- 20010. **Declaration of Interests:** To receive declarations by Members of interests in respect of items on this Agenda.
- 20011. **Minutes:** To consider Minutes of Finance & Governance meeting held on Monday 27<sup>th</sup> February 2020
- 20012. **Urgent Business:** To consider items of urgent business
- 20013. **Payments:** To consider draft Payments list (to follow)
- 20014. **Annual Governance and Accountability Return:** To consider draft Annual Governance and Accountability Return (AGAR) accounts and audit
- 20015. **Date of Next Meeting**

A handwritten signature in black ink, appearing to read 'Bob Bailey', with a horizontal line underneath it.

Bob Bailey, Town Clerk. 24<sup>th</sup> February 2020



## MORECAMBE TOWN COUNCIL

### Draft Minutes of Finance & Governance Committee held at Morecambe Town Hall on 27<sup>th</sup> February 2020 at 5.00pm

**In attendance:** Councillors Evans (Chair), Balcer, Hanson, Heath, Jenkins, Matthews and Ross-Clasper.

1. **Apologies for Absence:** Apologies were received from Councillor Anderton and Bates
2. **Declarations of Interest:** Members were asked to declare any interests, and the nature of that interest, which they may have in any of the items under consideration at this meeting.

There were no declarations of interest on the items on the Agenda previously circulated. Councillors Heath and Ross Clasper declared an interest in any.

3. **Grievance:** The Chair requested that Members consider an additional item on the Agenda to consider the details of a recent letter received from the Assistant Clerk setting out complaints arising from comments and actions and non-actions relating to her previous submission of a grievance. It was **RESOLVED** that this item be exempt in accordance with Section 12A of the Local Government Act 1972 as the discussion would involve disclosure of personal and private information about individuals.

At this point, Councillors Heath and Ross-Clasper declared an interest and left the meeting.

Councillor Hanson reported on the nature of the complaint made and informed Members that the Assistant Clerk is currently on long-term sick leave and it was **RESOLVED** that no formal action in accordance with the Grievance Procedure be taken until such time as she returns to work.

Councillors Heath and Ross-Clasper returned to the meeting.

4. **Festival Funding & Committee:** The Town Clerk reported that invitations to apply for festival funding had been posted on the Council's website and social media as instructed. Several applications had already been received but more are expected before the deadline for submission at 5:00pm on 28th February.

So far five Councillors had put their names forward as Members of the Festival and Events Committee.

5. **Internal Audit:** The Town Clerk reported that he had been seeking quotations from independent and qualified and that two had been received. The detailed scope of both proposals were considered. Both offered to undertake the audit in full compliance with the Governance and Accountability best practice requirements and relevant legislation, specifically, the Accounts and Audit Regulations. Both internal auditors would provide a detailed audit report with recommendations for consideration by the Town Council.

Having considered the internal audit objectives set approved by the Finance and Governance Committee, one offered to carry out a 'Governance Health Check' , as part of the audit package. This will test whether the Council has all the statutory, legal and best practice policies and procedures in place, to provide assurance to the Town Council and the general public that good governance arrangements are in place.

Both quotations are for the audit of the Town Council's financial and governance arrangements in 2019/20, as required to support the statements made each year in the *Annual Governance and Accountability Return (AGAR)*, that is submitted to the Government appointed external auditors.

There was then a long discussion about the audit of previous years finance and governance arrangements and how this might be accommodated, given the concerns raised relating to 2018/19, in particular.

Following comments and questions it it was resolved unanimously that *Internal Audit Yorkshire* be recommended as auditors for 2019/20 and on completion of that work they also be asked to carry out a full audit of 2018/19.

6. **Information Commissioners Office:** The Committee discussed the letter drafted by the Town Clerk and circulated to all Members regarding several Freedom of Information (FOI) requests that had not been previously dealt with. As directed by the ICO, the agreed letter will be sent to the resident who submitted the FOI requests and the ICO.

The letter set out that the Town Council takes its responsibilities under the Freedom of Information Act (FOIA) seriously and, following a more detailed review, would now be withdrawing its previous refusal to the requests under Section 14 (disproportionate or unreasonable level of disruption) of the act.

The Town Clerk and Assistant Clerk were thanked for the many hours of work they had put into dealing with this matter and for their diligence and integrity in doing so.

Having considered the requests again and the available evidence, however, it was **RESOLVED** that the Town Council be recommended to refuse to respond to the requests under Section 12 of the FOIA, being that the cost of complying with the requests will exceed the statutory cost limit (£450) and place a significant administrative burden on the Council.

It was noted that, as required by the FOIA, the Town Clerk had estimated the time and cost of dealing with each request and had included this in the letter. Members were advised that the resident will have the right to respond to the request and that the ICO will be making its decision on the case in due course. Both responses will be reported to full Council in recognition of its corporate responsibilities under the FOIA.

7. **Governance standards and arrangements:** Members considered its governance responsibilities and agreed to build on the standards and principles needed to ensure that the Council fulfils its purpose, achieves its outcomes for the benefit of the local community and operates in an effective, efficient and ethical manner.

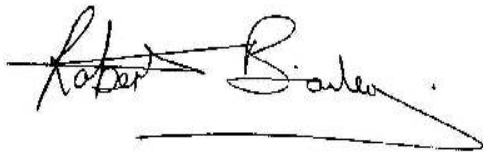
These include, but are not limited to the:

- a) Ethical Framework (Standards of conduct);
- b) Constitutional Framework (Standing Orders and Financial Regulations);
- c) Operational procedures including a review of policies and procedures;
- d) Human resources – staff management and training; Members training etc
- e) Openness and accountability;
- f) Community engagement including website; social media; newsletter; consultation etc;
- g) Members responsibilities for specific and nominated service areas

After some discussion, it was **RESOLVED** that this approach be recommended to full Council and that the Finance & Governance Committee reviews each element throughout 2020/21, making recommendations as required.

8. **Date of next meeting:** It was **RESOLVED** that the committee meets again on Tuesday 10<sup>th</sup> March at 5pm.

The meeting closed at 6:15pm.

A handwritten signature in black ink, appearing to read 'Robert Bailey', with a long horizontal line extending from the end of the signature.

Bob Bailey, Town Clerk

8<sup>th</sup> March 2020

## Annual Governance and Accountability Return 2019/20

### 1. Introduction

Smaller local councils are statutorily required to complete an annual review of their governance arrangements and submit and publish an annual statement, including the approved accounts, known as the Annual Governance and Accountability Return (AGAR).

The appointed external auditor for the Council is PKF Littlejohn.

Under recently issued regulations (The Accounts and Audit (Coronavirus) Regulations 2020) in response to the Covid-19 emergency deadlines for the approval and publication of the final, audited, accounts have been extended. The deadline for AGAR to be approved and published by the Town Council is now **31<sup>st</sup> August 2020 at the latest.**

### 2. Detail

The Town Council's draft AGAR documentation and supporting documents have been submitted to the Internal Auditor for review and it is intended to submit the Internal Auditor's report along with the completed AGAR to the June meeting of the Town Council for approval.

As with the previous financial year the Town Council, as an established body, is again required to submit its return for external audit.

In addition to being submitted for audit, the full approved AGAR, including the Accounting Statement and certain supporting documents, must be published following approval, providing a public right of inspection period of 30 working days.

The proposed timetable for the Council to meet the reporting requirements and statutory deadlines is as follows.

a)	Completion of the annual review, internal audit and approval of the accounts.	4th June Town Council Meeting
b)	Public rights of inspection period.	Monday 15 <sup>th</sup> June to Friday 24 <sup>th</sup> July 2020

Bob Bailey, Town Clerk

9<sup>th</sup> May 2020

# COMPLETING THE 2019-20 AGAR: A STEP-BY-STEP GUIDE (revised April 2020)

## A. All authorities other than parish meetings

AGAR Part 1  For authorities with no financial transactions	Between 1 April and 31 August 2020		Before 1 September 2020
	STEP 1	A meeting of the authority is held	The authority publishes the Declaration of No Accounts and Certificate of Exemption
	STEP 2	The Declaration of No Accounts and Certificate of Exemption is completed, approved by the authority and signed by the Chairman or RFO	
	STEP 3	The authority sends the Declaration of No Accounts and Certificate of Exemption to the External Auditor	

AGAR Part 2  For authorities wishing to declare themselves exempt	Between 1 April and 31 August 2020		Before 1 September 2020	
	STEP 1	The Accounting Statements (Section 2) are prepared and signed by the RFO	The authority publishes: a) the Annual Internal Audit Report; b) the Annual Governance Statement; c) the Accounting Statements; d) an analysis of any significant year on year variances; e) a bank reconciliation as at 31 March 2020; f) a copy of the Certificate of Exemption; g) details of the arrangements for the exercise of public rights; and h) the name and address of the External Auditor	
	STEP 2	A meeting of the authority is held at which:		
		STEP 2.1		The Annual Internal Audit Report is received and noted
		STEP 2.2		The Annual Governance Statement (Section 1) is approved
		STEP 2.3		The Accounting Statements (Section 2) are approved
	STEP 2.4	The Certificate of Exemption is approved		
	STEP 3	Following approval, the Chairman and Clerk of the meeting sign the Annual Governance Statement and the Chairman signs the Accounting Statements		
	STEP 4	The RFO sets the commencement date for the exercise of public rights		
STEP 5	The Certificate of Exemption is signed by the RFO and Chairman			
STEP 6	The authority sends the Certificate of Exemption to the External Auditor			

<b>AGAR Part 3</b>	<b>Between 1 April and 31 August 2020</b>		<b>Before 1 September 2020</b>	<b>Before 1 December 2020</b>	
<b>For authorities unable to declare themselves exempt or requesting a limited assurance review</b>	<b>STEP 1</b>	The Accounting Statements (Section 2) are prepared and signed by the RFO	The authority publishes: a) the Annual Internal Audit Report (recommended but not mandatory); b) the Annual Governance Statement; c) the Accounting Statements; d) a declaration that the accounts are as yet unaudited; e) details of the arrangements for the exercise of public rights; and f) the name and address of the External Auditor	The authority publishes: a) notice of the conclusion of the audit; b) the Annual Governance Statement (including any amendments as a result of the limited assurance review); c) the Accounting Statements (including any amendments as a result of the limited assurance review); and d) the External Auditor Report and Certificate	
	<b>STEP 2</b>	A meeting of the authority is held at which:			
		<b>STEP 2.1</b>			The Annual Internal Audit Report is received and noted
		<b>STEP 2.2</b>			The Annual Governance Statement (Section 1) is approved
		<b>STEP 2.3</b>			The Accounting Statements (Section 2) are approved
	<b>STEP 3</b>	Following approval, the Chairman and Clerk of the meeting sign the Annual Governance Statement and the Chairman signs the Accounting Statements			
	<b>STEP 4</b>	The RFO sets the commencement date for the exercise of public rights			
<b>STEP 5</b>	The authority sends to the External Auditor: a) the Annual Internal Audit Report; b) the Annual Governance Statement; c) the Accounting Statements; d) an analysis of any significant year on year variances; e) a bank reconciliation as at 31 March 2020; f) details of the arrangements for the exercise of public rights; and g) any other information that the auditor has specifically requested.				



# Annual Governance and Accountability Return 2019/20 Part 3

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

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

## Guidance notes on completing Part 3 of the Annual Governance and Accountability Return 2019/20

1. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 **must** complete Part 3 of the Annual Governance and Accountability Return at the end of each financial year in accordance with *Proper Practices*.
2. **The Annual Governance and Accountability Return is made up of three parts, pages 3 to 6:**
  - The **Annual Internal Audit Report** is completed by the authority's internal auditor.
  - **Sections 1 and 2** are to 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 **before 1 July 2020**.
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 2020**. 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 2020
  - 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 2019/20

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 a publicly accessible website:

Before 1 July 2020 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 2019/20**, approved and signed, page 4
- **Section 2 - Accounting Statements 2019/20**, approved and signed, page 5

Not later than 30 September 2020 authorities **must** publish:

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

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

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

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

## Guidance notes on completing Part 3 of the Annual Governance and Accountability Return 2019/20

- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this Annual Governance and Accountability Return. *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 Annual Governance and Accountability Return is complete (no highlighted boxes left empty), and is properly signed and dated. Where amendments are made by the authority to the AGAR after it has been approved by the authority and before it has been reviewed by the external auditor, the Chairman and RFO should initial the amendments and if necessary republish the amended AGAR and recommence the period for the exercise of public rights. If the AGAR contains unapproved or unexplained amendments, it may be returned and additional costs will be incurred.
- The authority **should** receive and note the annual internal audit report if possible before approving the annual governance statement and the accounts.
- Use the checklist provided below to review the Annual Governance and Accountability Return for completeness before returning it to the external auditor by email or post (not both) no later than 30 June 2020.
- Do not send the external auditor any information not specifically requested. However, **you must inform your external auditor about any change of Clerk, Responsible Financial Officer or Chairman, and provide relevant email addresses and telephone numbers.**
- Make sure that the copy of the bank reconciliation to be sent to your external auditor with the Annual Governance and Accountability Return covers all the bank accounts. If the authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree the bank reconciliation to Box 8 on the accounting statements (**Section 2, page 5**). An explanation **must** be provided of any difference between Box 7 and Box 8. More help on bank reconciliation is available in the *Practitioners' Guide*\*.
- Explain fully significant variances in the accounting statements on **page 5**. Do not just send a copy of the detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete numerical and narrative analysis to support the full variance.
- If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or variances are not fully explained, additional costs may be incurred.
- Make sure that the accounting statements add up and that the balance carried forward from the previous year (Box 7 of 2019) equals the balance brought forward in the current year (Box 1 of 2020).
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the period for the exercise of public rights. From the commencement date for a single period of 30 consecutive working days, the approved accounts and accounting records can be inspected. Whatever period the RFO sets it **must** include a common inspection period – during which the accounts and accounting records of all smaller authorities must be available for public inspection – of the first ten working days of July.
- The authority **must** publish 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 2020**.

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
All sections	Have all highlighted boxes have been completed?		
	Has all additional information requested, including <b>the dates set for the period for the exercise of public rights</b> , been provided for the external auditor?		
Internal Audit Report	Have all highlighted boxes been completed by the internal auditor and explanations provided?		
Section 1	For any statement to which the response is 'no', has an explanation been published?		
Section 2	Has the authority's approval of the accounting statements been confirmed by the signature of the Chairman of the approval meeting?		
	Has an explanation of significant variations from last year to this year been published?		
	Has the bank reconciliation as at <b>31 March 2020</b> been reconciled to Box 8?		
	Has an explanation of any difference between Box 7 and Box 8 been provided?		
Sections 1 and 2	Trust funds – have all disclosures been made if the authority as a body corporate is a sole managing trustee? <b>NB:</b> do not send trust accounting statements unless requested.		

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

# Annual Internal Audit Report 2019/20

## Morecambe Town Council

This authority's internal auditor, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls to be in operation **during** the financial year ended 31 March 2020.

The internal audit for 2019/20 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	Agreed? Please choose one of the following		
	Yes	No*	Not covered**
<b>A.</b> Appropriate accounting records have been properly kept throughout the financial year.			
<b>B.</b> This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.			
<b>C.</b> This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.			
<b>D.</b> The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.			
<b>E.</b> Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.			
<b>F.</b> Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			
<b>G.</b> Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.			
<b>H.</b> Asset and investments registers were complete and accurate and properly maintained.			
<b>I.</b> Periodic and year-end bank account reconciliations were properly carried out.			
<b>J.</b> 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.			
<b>K.</b> <b>IF</b> the authority certified itself as exempt from a limited assurance review in 2018/19, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2018/19 AGAR tick "not covered")</i>			
<b>L.</b> The authority has demonstrated that during summer 2019 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.			
<b>M. (For local councils only)</b> Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable

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

Date(s) internal audit undertaken

DD/MM/YY      DD/MM/YY      DD/MM/YY

Name of person who carried out the internal audit

ENTER NAME OF INTERNAL AUDITOR

Signature of person who carried out the internal audit

SIGNATURE REQUIRED

Date

DD/MM/YY

\*If the response is 'no' you must include a note to 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 2019/20

We acknowledge as the members of:

E Morecambe Town Council Y

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 2020, that:

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

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

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

DD/MM/YY

and recorded as minute reference:

MINUTE REFERENCE

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

Chairman

SIGNATURE REQUIRED

Clerk

SIGNATURE REQUIRED

**Other information required by the Transparency Codes** (not part of Annual Governance Statement)  
Authority web address

AUTHORITY WEBSITE ADDRESS



## Section 2 – Accounting Statements 2019/20 for

### Morecambe Town Council

	Year ending		Notes and guidance
	31 March 2019 £	31 March 2020 £	
			<i>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.</i>
1. Balances brought forward	123,708	133,520	<i>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.</i>
2. (+) Precept or Rates and Levies	188,141	189,594	<i>Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.</i>
3. (+) Total other receipts	6,787	13,091	<i>Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.</i>
4. (-) Staff costs	41,086	57,815	<i>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.</i>
5. (-) Loan interest/capital repayments	0	0	<i>Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).</i>
6. (-) All other payments	144,030	134,138	<i>Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).</i>
7. (=) Balances carried forward	133,520	144,251	<i>Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).</i>
8. Total value of cash and short term investments	123,809	134,847	<i>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.</i>
9. Total fixed assets plus long term investments and assets	63,376	66,123	<i>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.</i>
10. Total borrowings	0	0	<i>The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).</i>
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	<i>The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.</i>
			<i>N.B. The figures in the accounting statements above do not include any Trust transactions.</i>

I certify that for the year ended 31 March 2020 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

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

SIGNATURE REQUIRED

Date

DD/MM/YY

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

DD/MM/YY

as recorded in minute reference:

MINUTE REFERENCE

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

SIGNATURE REQUIRED

## Section 3 – External Auditor Report and Certificate 2019/20

In respect of

Morecambe Town Council

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

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

- summarises the accounting records for the year ended 31 March 2020; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

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

### 2 External auditor report 2019/20

(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 2019/20

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 2020.

\*We do not certify completion because:

External Auditor Name

ENTER NAME OF EXTERNAL AUDITOR

External Auditor Signature

SIGNATURE REQUIRED

Date

DD/MM/YY

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

## Explanation of variances – pro forma

Name of smaller authority: **Morecambe Town Council**

County area (local councils and **Lancashire**)

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

Next, 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 £200);
- a breakdown of approved reserves on the next tab if the total reserves (Box 7) figure is more than twice the annual precept/rates & levies value (Box 2).

	2018/19 £	2019/20 £	Variance £	Variance %	Explanation Required?	Automatic responses trigger below based on figures input. <b>DO NOT OVERWRITE THESE BOXES</b>	Explanation from smaller authority (must include narrative and supporting figures)
1 Balances Brought Forward	123,708	133,520				Explanation of % variance from PY opening balance not required - Balance brought forward agrees	
2 Precept or Rates and Levies	188,141	189,594	1,453	0.77%	NO		
3 Total Other Receipts	6,787	13,091	6,304	92.88%	YES		Receipts include award of £5,300 from Groundworks Uk for Morecambe Neighbourhood Plan
4 Staff Costs	41,086	57,815	16,729	40.72%	YES		Includes additional staff costs for cover for the Town Clerk whilst on long term sick leave and his subsequent severance pay (additional £8,278). Also approved extra hours for new Town Clerk and Assistant Town Clerk (additional £5,245)
5 Loan Interest/Capital Repayment	0	0	0	0.00%	NO		
6 All Other Payments	144,030	134,138	-9,892	6.87%	NO		
7 Balances Carried Forward	133,520	144,252			NO	VARIANCE EXPLANATION NOT REQUIRED	
8 Total Cash and Short Term Investments	123,809	134,847				VARIANCE EXPLANATION NOT REQUIRED	
9 Total Fixed Assets plus Other Long Term Investments and	63,376	66,123	2,747	4.33%	NO		
10 Total Borrowings	0	0	0	0.00%	NO		

Rounding errors of up to £2 are tolerable

Variances of £200 or less are tolerable

BOX 10 VARIANCE EXPLANATION NOT REQUIRED IF CHANGE CAN BE EXPLAINED BY BOX 5 (CAPITAL PLUS INTEREST PAYMENT)

## Morecambe Town Council

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

*Name and Role (Clerk/RFO etc)*

Approved by: \_\_\_\_\_

Date: \_\_\_\_\_

*Name and Role (RFO/Chair of Finance etc)*

	<b>Bank Reconciliation at 31/03/2020</b>		
	Cash in Hand 01/04/2019		123,808.96
	<b>ADD</b> Receipts 01/04/2019 - 31/03/2020		210,020.99
			333,829.95
	<b>SUBTRACT</b> Payments 01/04/2019 - 31/03/2020		198,982.50
<b>A</b>	<b>Cash in Hand 31/03/2020</b> (per Cash Book)		<b>134,847.45</b>
	Cash in hand per Bank Statements		
	Cash	23/07/2019	0.00
	HSBC deposit	17/04/2020	0.00
	Unity Trust	31/03/2020	146,267.78
	HSBC	23/07/2019	0.00
			<b>146,267.78</b>
	Less unrepresented payments		11,420.33
			134,847.45
	Plus unrepresented receipts		0.00
<b>B</b>	<b>Adjusted Bank Balance</b>		<b>134,847.45</b>
	<b>A = B Checks out OK</b>		



**Morecambe Town Council**  
**Income & Expenditure Account**  
**01/04/2019 to 31/03/2020**

(Last) Year Ended  
31 Mar 2019

(Current) Year Ended  
31 Mar 2020

<u>Income</u>	
2,123.30	Morecambe in Bloom 0.00
188,141.38	Annual Precept 189,593.58
814.29	Bank Interest Income 668.70
24.45	Section 137 Expenditure 0.00
149.76	Festivals 0.00
698.00	Training 0.00
374.97	Staffing and Administration 2,752.19
1,827.94	Toilets Management 0.00
800.00	Community Garden Fund 0.00
	Newsletter 1,300.00
	Neighbourhood Plan 5,300.00
	VAT Refunds 5,020.07
<b>£194,954.09</b>	<b>£204,634.54</b>

<u>Expense</u>	
52,223.52	Staffing and Administration 75,790.01
2,878.45	Centenary Remembrance Event 0.00
2,830.59	Deprivation Support 1,253.15
3,200.00	Newsletter 5,761.67
372.10	Station Grant 0.00
202.72	Poulton Neighbourhood Management 0.00
14,000.00	Anti Social Behaviour Officer 14,000.00
8,069.32	Community Garden Fund 0.00
5,000.00	CCTV 0.00
12,500.00	Environmental Enforcement Officer 12,500.00
12,734.52	Toilets Management 7,237.65
2,122.00	Street Art - Arts Council Grant 0.00
4,638.29	Morecambe in Bloom 173.09
2,246.75	Neighbourhood Plan 2,650.90
6,000.00	Christmas Lights 6,000.00
2,327.37	Section 137 Expenditure 0.00
1,996.40	Miscellaneous Grants 1,500.00
51,695.00	Festivals 51,060.00
105.18	Training 0.00
	By Election Fund 2,498.27
	Computers 4,119.92
	Armed Forces Day 1,000.00
	Election Costs 8,136.32
	Suspense account 222.00
<b>£185,142.21</b>	<b>£193,902.98</b>

<u>General Fund</u>	
49,707.76	Balance at 01 Apr 2019 59,519.64
194,954.09	ADD Total Income 204,634.54
244,661.85	264,154.18
185,142.21	DEDUCT Total Expenditure 193,902.98
59,519.64	70,251.20
0.00	DEDUCT Reserves Balance 0.00
<b>£59,519.64</b>	Balance at 31 Mar 2020 <b>£70,251.20</b>

Reserves:

Earmarked Reserve Balance £74000.00

## Morecambe Town Council

## BALANCE SHEET

31/03/2020

<i>(Last) Year Ended</i> 31 Mar 2019		<i>(Current) Year Ended</i> 31 Mar 2020
£	<b>CURRENT ASSETS</b>	£
0.00	Stocks and stores	0.00
0.00	Work in progress	0.00
0.00	Debtors (Net of provision for doubtful debts)	0.00
0.00	Payments in advance	0.00
9,710.68	VAT Recoverable	9,403.75
0.00	Temporary lendings (investments)	0.00
123,808.96	Cash in hand	134,847.45
133,519.64	<b>TOTAL ASSETS</b>	144,251.20
	<b>CURRENT LIABILITIES</b>	
0.00	Creditors	0.00
<u>133,519.64</u>	<b>NET ASSETS</b>	<u>144,251.20</u>
	<b>Represented by:</b>	
59,519.64	General fund Balance	70,251.20
	<b>Reserves:</b>	
0.00	Capital	0.00
74,000.00	Earmarked	74,000.00
0.00	Adjustments	0.00
<u>133,519.64</u>		<u>144,251.20</u>

The above statement represents fairly the financial position of the council as at 31 Mar 2020

Signed \_\_\_\_\_  
Responsible Financial Officer

Date \_\_\_\_\_

**Morecambe Town Council**  
**Summary of Receipts and Payments**  
**Summary - Cost Centres Only**

Cost Centre	Receipts			Payments			Net Position
	Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
Annual Precept	189,593.58	189,593.58					
Anti Social Behaviour Officer				14,000.00	14,000.00		
Armed Forces Day				1,000.00	1,000.00		
Asset Replacement Fund				9,000.00		9,000	9,000
Bank Interest Income	500.00	668.70	169				169
By Election Fund				6,000.00	2,498.27	3,502	3,502
CCTV				5,000.00		5,000	5,000
Centenary Remembrance Event 2							
Christmas Lights				6,000.00	6,000.00		
Community Centre and Town Council				55,000.00		55,000	55,000
Community Events				500.00		500	500
Community Garden Fund							
Computers					4,119.92	-4,120	-4,120
Deprivation Support				6,100.00	1,253.15	4,847	4,847
Election Costs				20,000.00	8,136.32	11,864	11,864
Environmental Enforcement Officer				12,500.00	12,500.00		
Festivals				55,000.00	51,060.00	3,940	3,940
General Reserves				10,000.00		10,000	10,000
Growth Reserve Fund				7,000.00		7,000	7,000
Miscellaneous Grants				7,500.00	1,500.00	6,000	6,000
Mobile CCTV				3,000.00		3,000	3,000
Morecambe in Bloom				6,000.00	173.09	5,827	5,827
Neighbourhood Plan		5,300.00	5,300	2,000.00	2,650.90	-651	4,649
Newsletter		1,300.00	1,300	3,000.00	5,761.67	-2,762	-1,462
Office Furniture and equipment							
Portas Town Team							
Poulton Neighbourhood Management							
Remembrance Sunday				100.00		100	100
School Parking							
Section 137 Expenditure							
SpID				2,500.00		2,500	2,500
Staffing and Administration		2,752.19	2,752	64,440.00	75,790.01	-11,350	-8,598
Station Grant							
Street Art - Arts Council Grant							
Street Cleansing				11,000.00		11,000	11,000
Suspense account					222.00	-222	-222
Toilets Management				10,000.00	7,237.65	2,762	2,762
Toilets Refurbishment							
Training				1,500.00		1,500	1,500
VAT Refunds		5,020.07	5,020				5,020
War Memorial				10,000.00		10,000	10,000
<b>NET TOTAL</b>	<b>190,093.58</b>	<b>204,634.54</b>	<b>14,541</b>	<b>328,140.00</b>	<b>193,902.98</b>	<b>134,237</b>	<b>148,778</b>
<b>Total for ALL Cost Centres</b>		204,634.54			193,902.98		
<b>V.A.T.</b>		5,386.45			5,079.52		
<b>GROSS TOTAL</b>		<b>210,020.99</b>			<b>198,982.50</b>		

**Morecambe Town Council**  
**Fixed Assets and Long Term Investments**

Asset Description	Date Acquired	Purchase Value	Current Value	Location /Responsibility	Estimated Life	Usage/Capacity	Charges
<b>Assets</b>							
4 x Penguin litter bins	26/09/2011	1,285.00	1,285.00	Happy Mount Park			
& x Noticeboards	15/06/2012	2,932.93	2,932.93	Various Locations			
2 x 5-a-side goalposts	15/05/2012	1,000.00	1,000.00	Langridge Estate Westga			
2 x Benches	15/02/2012	756.00	756.00	HMP; Edward St			
2 x North West in Bloom signs	16/03/2018	355.70	355.70	Shrimp Roundabout & Cc			
3 x play equipment	15/03/2012	2,133.00	2,133.00	Torrisholme Park			
4 x Full bloom rial mounting planters	27/02/2018	400.05	400.05	Morecambe Station			
8 x litter bins	2012	2,000.00	2,000.00	HMP; Townley St; Moreca			
Christmas lights	01/12/2015	7,127.00	7,127.00	LITE, Unit 2, Farrington F			
Christmas Tree lights	22/11/2011	651.60	651.60	White Lund Depot			
Handiloops - Litter picking	30/10/2011	141.83	141.83	Council Office			
High visibility jackets	03/10/2011	327.00	327.00	Council Office			
Multi-position Telescopic loader for SPiD	11/10/2017	83.33	83.33	Council Office			
Play equipment	15/05/2012	6,000.00	6,000.00	Langridge Estate Westga			
Speed Indication Device	2017	2,584.00	2,584.00	Various Locations			
Springy Animal Play equipment	15/05/2013	880.00	880.00	Langridge Estate Westga			
Toilet fixtures & fittings	19/05/2017	30,532.60	30,532.60	Dome Toilets, Marine Ro:			
		<b>59,190.04</b>	<b>59,190.04</b>				
<b>Computers</b>							
2 x Intel PC's & Monitors; Laptop	03/11/2015	2,000.85	2,000.85	Council Office			0
		<b>2,000.85</b>	<b>2,000.85</b>				
<b>Office Furniture and equipment</b>							
2 x office chairs	12/03/2014	154.80	154.80	Council Office			
8 x chairs	27/07/2012	60.00	60.00	Council Office			
Epson Projectot	24/01/2017	329.99	329.99	Council Office			

**Morecambe Town Council**  
**Fixed Assets and Long Term Investments**

<b>Asset Description</b>	<b>Date Acquired</b>	<b>Purchase Value</b>	<b>Current Value</b>	<b>Location /Responsibility</b>	<b>Estimated Life</b>	<b>Usage/Capacity</b>	<b>Charges</b>
Kneeling chair	11/10/2017	49.28	49.28	Council Office			
Laminator	27/07/2012	18.00	18.00	Council Office			
Meeting table	17/09/2012	159.00	159.00	Council Office			
No description	2011	681.52	681.52	Council Office			
Panasonic Camcorder	16/01/2017	294.99	294.99	Council Office			
Panasonic Camera	31/07/2015	412.48	412.48	Council Office			
Surface Pro laptops; telephons & infrastructure	Feb 2020	2,746.62	2,746.62	Council Office			
Velbon Tripod	19/01/2017	24.99	24.99	Council Office			
		<b>4,931.67</b>	<b>4,931.67</b>				
<b>Grand Total:</b>		<b>66,122.56</b>	<b>66,122.56</b>				