

Annual Governance and Accountability Return 2021/22 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 2021/22

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 2022**.
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 2022**. 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 2022
 - 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 2021/22

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 2022 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 2021/22**, approved and signed, page 4
- **Section 2 - Accounting Statements 2021/22**, approved and signed, page 5

Not later than 30 September 2022 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) 2021/22

- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this AGAR. *Proper Practices* are found in the *Practitioners' Guide** which is updated from time to time and contains everything needed to prepare successfully for the financial year-end and the subsequent work by the external auditor.
- Make sure that the AGAR is complete (no highlighted boxes left empty), and is properly signed and dated. If the AGAR contains unapproved or unexplained amendments, it may be returned and additional costs will be incurred.
- The authority **should** receive and note the Annual Internal Audit Report before approving the Annual Governance Statement and the accounts.
- Use the checklist provided below to review the AGAR for completeness before returning it to the external auditor by email or post (not both) no later than 30 June 2022.
- The Annual Governance Statement (Section 1) must be approved on the same day or before the Accounting Statements (Section 2) and evidenced by the agenda or minute references.
- The Responsible Financial Officer (RFO) must certify the accounts (Section 2) before they are presented to the authority for approval. The authority must in this order; consider, approve and sign the accounts.
- The RFO is required to commence the public rights period as soon as practical after the date of the AGAR approval.
- Do not send the external auditor any information not specifically requested. However, **you must inform your external auditor about any change of Clerk, Responsible Financial Officer or Chairman, and provide relevant authority owned generic email addresses and telephone numbers.**
- Make sure that the copy of the bank reconciliation to be sent to your external auditor with the AGAR covers all the bank accounts. If the authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree the bank reconciliation to Box 8 on the accounting statements (**Section 2, page 5**). An explanation **must** be provided of any difference between Box 7 and Box 8. More help on bank reconciliation is available in the *Practitioners' Guide**.
- Explain fully significant variances in the accounting statements on **page 5**. Do not just send a copy of the detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete numerical and narrative analysis to support the full variance.
- If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or variances are not fully explained, additional costs may be incurred.
- Make sure that the accounting statements add up and that the balance carried forward from the previous year (Box 7 of 2021) equals the balance brought forward in the current year (Box 1 of 2022).
- 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 2022**.

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 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 2022 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 2021/22

ENTER NAME OF AUTHORITY

ENTER PUBLICLY AVAILABLE WEBSITE/WEBPAGE ADDRESS

During the financial year ended 31 March 2022, 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 2021/22 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 2020/21, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2020/21 AGAR tick "not covered")</i>			
L. The authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements			
M. The authority, during the previous year (2020-21) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations <i>(evidenced by the notice published on the website and/or authority approved minutes confirming the dates set)</i> .			
N. The authority has complied with the publication requirements for 2020/21 AGAR <i>(see AGAR Page 1 Guidance Notes)</i> .			
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable

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

Date(s) internal audit undertaken

Name of person who carried out the internal audit

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

ENTER NAME OF INTERNAL AUDITOR

Signature of person who carried out the internal audit

SIGNATURE REQUIRED

Date

DD/MM/YYYY

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

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

Section 1 – Annual Governance Statement 2021/22

We acknowledge as the members of:

ENTER NAME OF AUTHORITY

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2022, 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

ENTER PUBLICLY AVAILABLE WEBSITE/WEBPAGE ADDRESS

Section 2 – Accounting Statements 2021/22 for

ENTER NAME OF AUTHORITY

	Year ending		Notes and guidance
	31 March 2021 £	31 March 2022 £	
			<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			<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			<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			<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			<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			<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			<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			<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			<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			<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			<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	N/A
			<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 2022 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’s Report and Certificate 2021/22

In respect of

ENTER NAME OF AUTHORITY

1 Respective responsibilities of the auditor and the authority

Our responsibility as auditors to complete a **limited assurance review** is set out by the National Audit Office (NAO). A limited assurance review is **not a full statutory audit**, it does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and hence it **does not** provide the same level of assurance that such an audit would. The UK Government has determined that a lower level of assurance than that provided by a full statutory audit is appropriate for those local public bodies with the lowest levels of spending.

Under a limited assurance review, the auditor is responsible for reviewing Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with NAO Auditor Guidance Note 02 (AGN 02) as issued by the NAO on behalf of the Comptroller and Auditor General. AGN 02 is available from the NAO website – <https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/> .

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

- summarises the accounting records for the year ended 31 March 2022; 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 2021/22

(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 2021/22

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 2022.

*We do not certify completion because:

External Auditor Name

ENTER NAME OF EXTERNAL AUDITOR

External Auditor Signature

SIGNATURE REQUIRED

Date

DD/MM/YY

Annual Internal Audit Report 2021/22

Crediton Town Council

<https://crediton.gov.uk>

During the financial year ended 31 March 2022, 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 2021/22 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 2020/21, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2020/21 AGAR tick "not covered")</i>			✓
L. The authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements	✓		
M. The authority, during the previous year (2020-21) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations <i>(evidenced by the notice published on the website and/or authority approved minutes confirming the dates set)</i> .	✓		
N. The authority has complied with the publication requirements for 2020/21 AGAR <i>(see AGAR Page 1 Guidance Notes)</i> .	✓		
O. (For local councils only) 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).

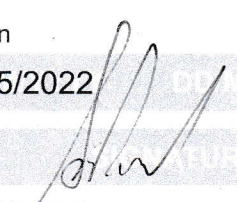
Date(s) internal audit undertaken

15/10/2021 23/05/2022

Name of person who carried out the internal audit

S J Pollard for Auditing Solutions Ltd

Signature of person who carried out the internal audit



Date

23/05/2022

*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).

Crediton Town Council

Internal Audit Report: Final update 2021-22

Stuart J Pollard

*Director
Auditing Solutions Ltd*

Background and Scope

Statute requires all town and parish councils to arrange for an independent Internal Audit (IA) examination of their accounting records and systems of internal control and for the conclusions to be reported each year in the Annual Governance and Accountability Return (AGAR). The following report provides detail of the areas examined during our two visits to the Council for 2021-22, which took place on 18th October 2021 and 23rd May 2022, together with work undertaken at our offices in advance of both visits.

Internal Audit Approach

In undertaking our review for 2021-22, we have again had regard to the materiality of transactions and their susceptibility to potential misrecording or misrepresentation in the year-end Statement of Accounts / AGAR. Our programme of cover, as applied to all clients, is designed to afford appropriate assurance that the Council's financial systems are robust and operate in a manner to ensure effective probity of transactions and to afford a reasonable probability of identifying any material errors or possible abuse of the Council's own and the national statutory regulatory framework. The programme is also designed to facilitate our completion of the IA Certificate in the Council's AGAR, which requires independent assurance over several control objectives.

Overall Conclusion

We again thank the Clerk and her staff for the clear way the records are maintained and for the level of assistance provided during this year's two review visits. We are pleased to record that no significant issues arise, although we have identified one or two areas where we suggest that previously in place controls should be re-implemented following relaxation of the Covid social distancing rules. We are pleased to acknowledge the action taken to address those issues raised at our interim review and reflect the current status in the body of the report and appended Action Plan. We have identified one or two further issues at this final review, detail of which is similarly set out in the body of the report with resultant recommendations further summarised in the appended Action Plan.

Based on the satisfactory conclusions drawn from this year's review programme, we have duly signed off the IA Certificate in the year's AGAR assigning positive assurances in each relevant area.

We take this opportunity to remind the Clerk of the requirements of the guidance notes in the preface to the year's AGAR in relation to the documentation that should be displayed on the Council's website, together with the need to ensure compliance with the timing requirements for publication of the Notice of Public Rights to examine the Council's documentation for the financial year.

Detailed Report

Maintenance of Accounting Records & Bank Reconciliations

The Clerk / Council switched to use of the RBS Rialtas Omega accounting software in the current financial year: as with the previously used Scribe software, Omega provides the Council with all necessary and relevant financial information to facilitate monitoring of performance throughout the year and generation of the year's AGAR financial detail.

The Council operates its main financial transactions through the Co-op Bank account, with surplus funds deposited in the Cambridge and Counties and Nationwide Building Societies, together with further accounts with the United Trust and Hampshire Trust Banks. Our objective in this area of review is to ensure that the accounting records are being maintained accurately and currently and that no anomalous entries appear in cashbooks or financial ledgers. We have consequently:

- Verified the opening balances in the Omega accounts to the closing balances for 2020-21 as set out in the former Scribe accounts and AGAR;
- Checked detail in the Omega Co-op current account cashbook, examining and agreeing transactions for four months in the year (April & August 2021, plus January and March 2022) by reference to the supporting bank statements;
- Noted that only limited transactions occur on the other accounts with full detail of those transactions agreed to the available bank statements for the financial year: however, we are advised that no statements from the Cambridge and Counties Bank and Nationwide Building Society were received from the banks prior to the financial year-end, despite their being requested, in time for inclusion in the accounts when they were "closed down": consequently, the transactions will be recorded in the 2022-23 accounts;
- Checked and agreed detail on the combined account bank reconciliations prepared at 30th April & 31st August 2021, plus 31st January and March 2022; and
- Ensured the accurate disclosure of the combined year-end cash and bank balances in the year's AGAR at Section 2, Box 8, subject to the absence of transaction detail to 31st March 2022 on the above two accounts.

Conclusions and recommendations

We are concerned to note that two of the banks / building societies have failed to provide detail of transactions to 31st March 2022 despite requests from the Clerk for that information prior to the Omega accounts being closed down.

The Council's adopted Financial Regulations (Para 2.2 refers) require a quarterly review of bank reconciliations with detail signed off by the Chairman. Whilst the minutes of the Council Affairs & Finance Committee reflect the review of the reconciliations, the detail held on file affords no formal indication of their review. Best practice also suggests that in addition to the sign-off of the reconciliations, the bank statements should also be signed-off: we also suggest that the first page of the Omega Trial Balance at each month-end be printed and signed-off when the monthly reconciliations are completed affording opportunity for agreement of the month-end cashbook balances in a single record.

R1. Further efforts should be made in future years to ensure that the Council's various banks all provide information up to and including the financial year-end.

R2. Bank reconciliations should be subjected to at least quarterly scrutiny, verification of entry detail (i.e., Trial balance or cashbooks and bank statement balances on each account): each of these documents should be signed-off confirming agreement to the bank reconciliation detail.

Review of Corporate Governance

Our objective here is to ensure that the Council has a robust regulatory framework in place; that Council and Committee meetings are conducted in accordance with the adopted Standing Orders (SOs) and that, as far as we may reasonably ascertain as we do not attend meetings, no actions of a potentially unlawful nature have been or are being considered for implementation.

We note that formal SOs and Financial Regulations (FRs) are in place, both having been subjected to further review and re-adoption in March & April 2021 respectively, with both now in line with the latest model NALC documents.

We again note the existence of a range of Policies and Procedures, including a Statement of Internal Control, all of which are reviewed, updated (where appropriate), and re-adopted annually by the Council.

We have reviewed the Council and Committee minutes for the financial year and to date in 2022-23 as posted on the website to ensure that no issues exist or may be being considered for implementation by the Council that may have an adverse effect, through litigation or other causes, on the Council's future financial stability.

We noted at our interim review that the external auditors signed-off the 2020-21 AGAR with no issues raised.

Conclusions

We are pleased to report that no issues arise in this area warranting formal comment or recommendation. We will continue to review minutes and the Council's approach to governance issues at future visits reporting our conclusions accordingly.

Review of Expenditure

Our aim here is to ensure that: -

- Council resources are released in accordance with the Council's approved procedures and budgets;
- Appropriate documentation supports payments, either in the form of an original trade invoice or other appropriate form of document confirming the payment as due and/or an acknowledgement of receipt, where no other form of invoice is available;
- All discounts due on goods and services supplied are identified and appropriate action taken to secure the discount;
- The correct expense codes have been applied to invoices when processed; and
- VAT has been appropriately identified and coded to the control account for periodic recovery.

We noted last year the virtually exclusive use of BACS facilities for processing payments and reviewed the Council's control procedures implemented following the change from cheque payments to that medium as regards member scrutiny and approval of traders' and other invoices for payment. We remain pleased to note that all invoices are subjected to the normal level of scrutiny and sign-off approval by members: we also note that invoices continue to be submitted routinely to the Council Affairs & Finance Committee for review and approval.

To ensure compliance with the above criteria, we have selected and reviewed an extended sample of 49 payments in the year including all those individually in excess of £1,250, together with every 25th payment shown in the Omega accounts. Our extended sample totals £117,470 equating to 54% of all non-pay related payments processed. Due to the volume of transactions during the year, we have suggested to the Clerk that each invoice be identified and marked with a unique consecutive number through the year, that number also being used as a reference number when entering detail to the Omega accounts, much the same as if they were cheque numbers. This will afford an effective cross-referencing mechanism between Omega and the hard copy documents and simplify tracing individual invoices in the event of any queries.

VAT reclaims have traditionally been submitted to HMRC for repayment quarterly: we checked and agreed the first two quarterly reclaims for 2021-22 at our interim review, also now noting that a combined reclaim has been prepared and submitted for the 3rd and 4th quarters: this had not been repaid at the time of our final review visit. We have ensured the accuracy of the year's reclaims by reference to the Omega accounts.

Conclusions and recommendations

We are pleased to record that no significant concerns have been identified from our examination of the processing of payments and releasing funds this year other than noting the delayed formal sign-off of invoices by both the Clerk and members in the early stages of the year. We have also now made a further recommendation with a view to assisting clarity of cross-referencing of individual payment documentation to the Omega accounts.

R3. The previously in place routine examination, authorisation and sign-off of invoices by the Clerk and members should be reimplemented as soon as is practicable. This has been actioned in the latter stages of the financial year.

R4. To provide effective cross-referencing between the Omega cashbook payment detail and the hard copy invoices, each invoice processed during the year should be allocated a unique sequential number,

Assessment and Management of Risk

Our aim here is to ensure that the Council has put in place appropriate arrangements to identify all potential areas of risk of both a financial and health and safety nature, whilst also ensuring that appropriate arrangements exist to monitor and manage those risks to minimise the opportunity for their coming to fruition.

We have examined the Council's insurance policy for 2021-22 with Zurich noting that Employer's and Public Liability cover are in place at £10 million and £15 million respectively, together with Fidelity Guarantee cover at £500,000, all of which we consider appropriate for the Council's present needs.

We noted last year that the Clerk reviewed and updated the Financial and Management Risk Assessment documentation using the LCRS software with detail, as in prior years, presented to the Council in March 2021 for formal approval and re-adoption. We note that the Clerk has reviewed the documentation again during 2021-22: however, due to impact of the Covid pandemic and further administrative time constraints, it has not been presented to the Council for formal adoption prior to the financial year-end. Several of our other councils using the LCRS software have experienced some difficulties in saving and printing detail of the LCRS for presentation to members: consequently, we have provided the Clerk with a form of “Financial and Governance Risk Register” also used by a number of our clients and suggest that it may prove a useful tool in developing the Council’s own financial risk register in a more user-friendly manner.

Conclusions

We are pleased to record that no matters have been identified in this area warranting formal comment or recommendation at present: due to the Clerk’s action in reviewing the risk register during the year, we have taken a pragmatic view, in the light of the impact of the Covid situation and issued a positive assurance in this respect, even though the document was not formally re-adopted by the Council during the year. We shall continue to monitor the Council’s approach to risk management issues at future visits and take this opportunity to remind the Clerk and Council that the assessments must be reviewed and should, ideally, be formally re-adopted at least once annually.

Budgetary Control & Reserves

Our objective here is to ensure that the Council has a robust procedure in place for identifying and approving its future budgetary requirements and the level of precept to be drawn down from Mid Devon District Council (MDDC): also, that an effective reporting and monitoring process is in place. We also aim to ensure that the Council retains appropriate funds in general and earmarked reserves to finance its ongoing spending plans and to cover any unplanned expenditure that might arise.

We are pleased to note that members have duly discussed and approved the budget and precept for 2022-23, setting the latter at £385,738 at the January 2022 full Council meeting.

We are also pleased to note that members continue to receive regular budget performance reports at each Council Affairs & Finance Committee meeting and have reviewed the year-end budget outturn report with no issues arising warranting further enquiry. We do, however, note that a number of instances exist where expenditure has occurred against a nominal account code with no formal budget recorded. We have discussed this with the Clerk who is aware of the position and intends to correct it in 2022-23 with a degree of simplification / reconfiguration of the codes in use to facilitate more accurate budget reporting and control.

Finally, in this area, we note that, of the year-end total fund balance of £477,475 (£434,974 as at 31st March 2021), £172,877 (£206,139 as at 31st March 2021) is earmarked for specific purposes leaving an increased General Reserve balance of £304,588 (£228,836 at the prior year-end). This equates to in excess of a year’s revenue spending at the 2021-22 level and is considered more than adequate to meet the Council’s ongoing revenue spending plans.

Conclusions and recommendation

Whilst no serious concerns exist in this area, we suggest that the Clerk and Council should undertake the above intended rationalisation of nominal account codes.

R5. The Clerk's expressed intention to review and rationalise the nominal account code structure during 2022-23 with appropriate budgets allocated to each code should be actioned as soon as practicable to facilitate greater and effective budget monitoring.

Review of Income

The Council has a relatively limited range of income sources, primarily the annual precept, allotment rents, Christmas lights contributions from local traders, miscellaneous grants, donations and bank interest.

Our objective in this area is to ensure that income due to the Council is identified and recovered within an appropriate period and is also banked promptly.

We have recorded previously that the allotment rental year commences on 1st October annually and have now, at this final review, examined detail of that income ensuring that the appropriate fees have been charged and recovered within a reasonable time. We are pleased to record that no concerns have been identified in this respect: however, to further improve the trail between the allotment register maintained in spreadsheet format and the Omega nominal accounts, we suggest that the spreadsheet record be enhanced with the addition of a further column recording the date of receipt of the rents due to the Council.

Conclusions and recommendation

Whilst we have no concerns in relation to the manner in which income due to the Council is identified and recovered, we suggest that the audit trail be improved by recording the allotment payment receipt dates in an additional column on the spreadsheet allotment register.

R6. To add further clarification between the spreadsheet register of allotment rents due / received and the Omega nominal ledger, consideration should be given to adding a further column in the former document identifying the date of physical receipt / banking.

Petty Cash Account

We are required, as part of the IA certification process in the AGAR to assess the Council's approach to and control of the management of petty cash account transactions. Only 2 transactions have occurred in the year leaving a residual cash balance of £0.36 at the financial year-end. We have discussed the position with the clerk suggesting that the residual balance be applied and used towards the cost of a small item of expenditure with the account then closed.

Conclusions

No issues arise in this area this year warranting formal comment or recommendation, although, as above, we urge that the account be closed with the small residual balance duly expended appropriately and written out of the Omega accounts.

Review of Staff Salaries

In examining the Council's payroll function, we aim to confirm that extant legislation is being appropriately observed as regards adherence to the Employee Rights Act 1998 and the

requirements of HMRC legislation as regards the deduction and payment over of income tax and NI contributions.

To meet the above objective, we have: -

- Checked and agreed detail of salaries paid to staff members in September 2021 by reference to the approved annual salary rates, as advised by the Clerk;
- At this final review noted the application of the 2021-22 pay award in March 2022 agreeing the gross monthly salary payable for that month to the approved salary scale points;
- Ensured that tax and NI deductions / contributions have been made in accordance with the recorded (on payslips) tax code and NI Table to the two test months' salaries;
- Checked the enhanced overtime payments made in September 2021 to the two office employees covering the maternity absence of the Assistant Clerk;
- Ensured that the appropriate Tax, NI and pension contributions have been determined for payment over to the Fund Administrators.

Conclusions

We are pleased to record that no issues have been identified in this area warranting formal comment or recommendation.

Fixed Asset Register

The Practitioner's Guide requires all Councils to maintain a register of its stock of assets. We are again pleased to note the existence of an appropriate register in spreadsheet format which has been updated to reflect the costs (net of VAT) of the new assets acquired during the year. However, we note that the resultant total value of £257,835 as recorded in the asset register purportedly as at 31st March 2022 includes two assets recorded as acquired on 6th May 2022 with a total value of £220. We note that the year's AGAR provided for our review records an asset value of £257,256, which does not match the above total asset register value. Consequently, we urge that the AGAR value is amended accordingly to reflect the true asset register value as at 31st March 2022, which we calculate as £257,615.

Conclusions and recommendation

As indicated above, the asset value to be reported in the year's AGAR at Section 2, Box 9 should be amended to reflect the value recorded in the year-end asset register as at 31st March 2022, i.e., excluding the assets recorded as acquired after that date.

R7. The asset register as at 31st March 2022 should be re-examined to ensure that it includes only those assets physically acquired on or before 31st March 2022. The correct value should then be recorded in the year's AGAR at Section 2, Box 9.

Investments and Loans

We aim in this area of our review process to ensure that the Council is taking appropriate action to ensure interest earning capabilities are maximised whilst safeguarding the Council's resources. As indicated earlier in this report, we have noted the existence of accounts holding the Council's surplus funds.

We also noted last year that the Council had formally re-adopted its existing Investment Strategy in March 2021 and consider that the document remains appropriate for the Council's present circumstances.

No loans are in existence either payable by or to the Council.

Conclusions

We are pleased to record that no additional issues arise in this area to the previously referenced need to ensure that all transactions in the financial year through the deposit accounts are identified and supported by bank statements at that date.

Statement of Accounts & AGAR

We are required as part of the IA reporting process to provide assurance that the financial detail reported in Section 2 of the AGAR corresponds to the underlying financial and other records of the Council and that appropriate arrangements exist for the identification and reporting of any year-end debtors and creditors due to or payable by the Council.

The Omega software generates the year-end detailed Income and Expenditure accounts after assessment of the value of any prepayments, creditors and accruals at the financial year-end have been posted by journal, together with the recoverable VAT (quarters 3 & 4 as referred to earlier in this report).

Conclusions

No issues arise in this area warranting formal comment or recommendation and we have duly signed-off the IA Certificate in the year's AGAR assigning positive assurances in each relevant area.

Rec. No	Recommendation	Response
Review of Accounting Arrangements and Bank Reconciliations		
R1	Further efforts should be made in future years to ensure that the Council's various banks all provide information up to and including the financial year-end.	
R2	Bank reconciliations should be subjected to at least quarterly scrutiny, verification of entry detail (i.e., Trial balance or cashbooks and bank statement balances on each account): each of these documents should be signed-off confirming agreement to the bank reconciliation detail.	
Review of Expenditure and VAT		
R3	The previously in place routine examination, authorisation and sign-off of invoices by the Clerk and members should be reimplemented as soon as is practicable.	<i>This has been actioned in the latter stages of the financial year.</i>
R4	To provide effective cross-referencing between the Omega cashbook payment detail and the hard copy invoices, each invoice processed during the year should be allocated a unique sequential number,	
Budgetary Control & Reserves		
R5	The Clerk's expressed intention to review and rationalise the nominal account code structure during 2022-23 with appropriate budgets allocated to each code should be actioned as soon as practicable to facilitate greater and effective budget monitoring.	
Review of Income		
R6	To add further clarification between the spreadsheet register of allotment rents due / received and the Omega nominal ledger, consideration should be given to adding a further column in the former document identifying the date of physical receipt / banking.	
Fixed Asset Register		
R7	The asset register as at 31 st March 2022 should be re-examined to ensure that it includes only those assets physically acquired on or before 31 st March 2022. The correct value should then be recorded in the year's AGAR at Section 2, Box 9.	



Office IT Report

Report by: Town Clerk
To: Full Council
Date: For consideration on 07 June 2022

Recommendation

That Full Council approves a quote for upgraded IT equipment and ongoing support.

1. Purpose

1.1 This report sets out the proposal to purchase (or hire) new IT equipment and to enter an agreement for ongoing IT support.

2. Background

- 2.1. CREDITON Town Council currently has three desktops and four laptops
- 2.2. The desktops are no longer fit for purpose due to age and lack of ability to update
- 2.3. One member of staff only has access to a laptop, provided by the council
- 2.4. One member of staff only has access to a personal laptop.

3. Proposals

3.1. That CREDITON Town Council either purchases or leases new equipment, offering all members of staff a council-owned laptop and suitable associated equipment at their desk.

4. Financial Implications

4.1 Three quotes have been obtained for installation/configuration and ongoing support:

Contractor	Equipment and support	Amount
A	4 x laptops 5 x docks 5 x monitors 4 x stands	£6820.36 + VAT = £8184.43
	Lease agreement	
	36m £224.12 +VAT	
	60m £145.55 +VAT	
	10 hours support per year	£735.00 + VAT = £882.00 annually
	OR	
	Fixed fee support contract	£162.50 + VAT =£195.00 monthly
		+ existing Microsoft charges

		at approx. £800 per year
B	5 x laptops 5 x docks 10 x monitors Fixed fee support contract including Microsoft charges	£9643.25 £392.00 per month
C	4 x laptops 6 x screens 4 x mounts 5 x docks Fixed fee support contract including Microsoft charges	£5155.00 + VAT = £6186.00 £1,104 per month

5. Conclusion

5.1 Crediton Town Council must provide suitable equipment for all staff members.

Rachel Avery PSLCC
Town Clerk



Ms Emma Anderson
Crediton Town Council
Crediton Town Council
8A North Street
Crediton
Devon
EX17 2BT

Select for Local Councils Policy Schedule

This insurance policy, which meets your demands and needs, has been based on the latest information obtained from you. The Policy, the Policy Schedule, any Certificates of Insurance and Endorsements form one document and should be read together. This Schedule replaces any previous Schedule.

Policy Number	YLL-2720863843
Insured	Crediton Town Council
Business	Parish / Town Council
Period of Insurance	
From	01 st June 2022
To	31 st May 2023
and any other period for which cover has been agreed.	
Adjustment Premium	£ 351.51

Premiums are inclusive of Insurance Premium Tax and/or VAT as appropriate.

Schedule Number	100137750
Long term agreement active until	01 st June 2023
Preparation Date	31 st May 2022
Prepared by	Ms Caroline Hopgood
Policy Form Reference	MLAACE06

Policy Cover Declaration:

You, the Insured, are not aware of any known losses or events that could give rise to a claim, or circumstances that would be prejudicial to us, the Insurer, should the basis of cover on the below given insurance product (s) be changed.

This is important information, please read it carefully and check that the facts given about you are correct and that we have included all the covers that you require. We are unable to give you advice so it is your responsibility to check the cover is correct for your organisation.

Important information

Taking reasonable care

We require that you take reasonable care in managing your activities. Where appropriate this requires you to do the following:

- Keep written risk assessments for your key activities
- Keep written records of your staff and volunteer training. For example, manual handling training, or for use of tools and machinery
- Abide by any rules, guidelines or advice that is given to you by any relevant authority, such as a Local Authority, or the Health and Safety Executive

We want you to be confident about your insurance and understand what is required of you. Please contact us if you have any questions relating to the above.

Lines of Cover applying

Part A – Material Damage

Table Headings

Contents (a)	Furniture, fixtures, fittings and tenants improvements
Contents (b)	Other contents and consumable stock not specified below including printed books and unused stationery
Contents (c)	Computer equipment, other office equipment and sports equipment
Contents (d)	Televisions, audio-visual and photographic equipment (excluding videos), beer, wine, spirits, tools and gardening equipment
Contents (e)	Tobacco
Contents (f)	Camcorders, videos and gaming machines
Contents (g)	Civic Regalia

Sums Insured

Premises Address	Buildings Sum Insured	Loss of Rent	Contents (a)	Contents (b)	Contents (c)	Contents (d)	Contents (e)	Contents (f)	Contents (g)
1. Public Toilets, Newcombes Meadow, Crediton, Devon, EX17 2AR	£84,588.75	N/A	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
2. Bandstand, Newcombes Meadow, Crediton, Devon, EX17 2AR	£69,951.51	N/A	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
3. Old Schoolhouse, Old Landscore School, Greenway, Crediton, Devon, EX17 3LP	£644,000.00	N/A	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00

For Premises: 1, 2, 3

Insured Perils applicable to Material Damage : 1-13, 15 & 16

Excesses Applicable to Premises

The following Excesses apply to each and every loss arising in respect of each and every separate premises:

Accidental Damage	£250
Theft	£250
Riot civil commotion and Malicious Persons	£250
Storm or Flood	£250
Escape of Water	£250
Falling Trees or Branches	£250

Excesses Applicable to Premises

The following Excesses apply to each and every loss arising in respect of each and every separate premises:

Accidental Damage	£100
Theft	£100
Riot civil commotion and Malicious Persons	£250
Storm or Flood	£250
Escape of Water	£250
Falling Trees or Branches	£250

Operative Endorsements: 1, 2, 3, 5, 6, 7, 8 & 9 (please refer to the Endorsement section of the policy wording)

Part B – Business Interruption

Premises Address	Additional Expenditure	Indemnity Period (Months)	Loss of Data	Indemnity Period (Months)	Loss of Gross Revenue	Indemnity Period (Months)
All Premises	£100,000	12	N/A		£10,000	12

For Premises: 1, 2, 3

Insured Perils applicable to Business Interruption : 1-13, 15 & 16

Operative Endorsements:

None

Part C – All Risks
Table Headings

Contents (a)	Furniture, fixtures, fittings and tenants improvements
Contents (b)	Other Contents and consumable stock not specified below including printed books and unused stationery
Contents (c)	Computer Equipment, other office equipment and sports equipment
Contents (d)	Televisions, audio-visual and photographic equipment (excluding videos), beer, wine, spirits, tools and gardening equipment
Contents (e)	Tobacco
Contents (f)	Camcorders, videos and gaming machines
Contents (g)	Civic Regalia

Additional Items:

Where no premises address is shown, the item is not based at one location and cover is provided anywhere within the **territorial limits**.

Item Description	Sum Insured	Excess
Gates & Fences	£6,584.00	£250
Street Furniture including signs, posts, planters, benches and Grit Bins	£54,702.00	£250
War Memorials	£88,924.00	£250
Office Equipment	£18,552.00	£250
Chain of Office, Badge of Office, Mayor Badges	£50,000.00	£250
CCTV	£49,526.00	£250
Millenium Cross, Millenium Clock, St Boniface Statue, Bandstand	£193,528.00	£100
Lights, Decorations, A Boards, Illuminated Spheres, Tables/Chairs,	£54,282.00	£100
Cups & Trophies	£1,584.00	£100
Bus Shelter	£24,488.00	£100

The excess stated applies to each and every loss.

Operative Endorsements: 1, 2, 3 & 7 (please refer to the Endorsement section of the policy wording)

Part D – Money

	Limit any one loss
1. Loss of Non-Negotiable Money in the situations specified in items 2(a), 2(b), 2(c)(i) and 2(c)(ii):	£250,000
2. Loss of other Money:	
(a) in transit in the custody of any Member or Employee or in transit by registered post (limit £250), or in a Bank Night Safe	£5,000
(b) in the private residence of any Member or Employee	£500
(c) in the premises	
(i) in the custody of or under the actual supervision of any Member or Employee	£5,000
(ii) in locked safes or strongrooms	£5,000
(iii) in locked receptacles other than safes or strongrooms	£500

Excess: £50 each and every loss

Personal Accident Assault Limits: Stated in Section 3(c) of the policy wording

Operative Endorsements:

1. In respect of **Section 1 – Special Definitions**, the definition of Person Insured is extended to include any person between the ages of 16 and 90.

Part E – Public Liability

Limit of Indemnity: £15,000,000

Excess: £100 each and every claim in respect of Section 2(d)(ii)

Operative Endorsements:

1. Environmental Clean Up Costs. The following Special Definitions are added to Section 1:

Clean Up Costs

- a) Testing for or monitoring of Pollution or Contamination
- b) the costs of Remediation required by any Enforcing Authority to a standard reasonably achievable by the methods available at the time that such Remediation commences.

Remediation

Remedying the effects of Pollution or Contamination including primary, complementary and compensatory actions as specified in the Environmental Damage (Prevention and Remediation) Regulations 2009.

Enforcing Authority

Any government or statutory authority or body implementing or enforcing environmental protection legislation within the territorial limits.

Cover

With effect from 01 July 2009 or the inception of the policy if later, the **insurer** will indemnify the **insured** in respect of all sums including statutory debts that the **insured** is legally liable to pay in respect of Clean Up Costs arising from environmental damage caused by Pollution or Contamination where such liability arises under an environmental directive, statute or statutory instrument.

Provided always that:

- a) liability arises from Pollution or Contamination caused by a sudden, identifiable, unintended and unexpected incident which takes place in its entirety at a specific time and place during the Period of Insurance. All Pollution or Contamination which arises out of one incident shall be deemed to have occurred at the same time such incident takes place
- b) the **insurer's** liability under this Extension shall not exceed £1,000,000 for any one occurrence and in the aggregate in any one Period of Insurance and will be the maximum the insurer will pay inclusive all costs and expenses. This limit will form part of and not be in addition to the Limit of Indemnity stated in the Schedule
- c) immediate loss prevention or salvage action is taken and the appropriate authorities are notified

Exclusions

The **insurer** shall be under no liability:

1. in respect of Clean up Costs for **damage** to the **Insured's** land, premises, watercourse or body of water whether owned, leased, hired, tenanted or otherwise in the **insured's** care, custody or control
2. for **damage** connected with pre-existing contaminated property
3. for **damage** caused by a succession of several events where such individual event would not warrant immediate action
4. in respect of removal of any risk of an adverse effect on human health on the Insured's land, premises, watercourse or body of water whether owned, leased, hired, tenanted or otherwise in the **insured's** care, custody or control
5. in respect of costs in achieving an improvement or alteration in the condition of the land, atmosphere or any watercourse or body of water beyond that required under any relevant and applicable law or statutory enactment at the time Remediation commences
6. in respect of costs for prevention of imminent threat of environmental damage where such costs are incurred without there being Pollution or Contamination caused by a sudden, identifiable, unintended and unexpected incident
7. for **damage** resulting from an alteration to subterranean stores of groundwater or to flow patterns
8. in respect of costs for the reinstatement or reintroduction of flora or fauna
9. for **damage** caused deliberately or intentionally by the **insured** or where they have knowingly deviated from environmental protection rulings or where the **insured** has knowingly omitted to inspect, maintain or perform necessary repairs to plant or machinery for which they are responsible
10. in respect of fines or penalties of any kind
11. for **damage** caused by the ownership or operation on behalf of the **insured** of any mining operations or storage, treatment or disposal of waste or waste products other than caused by composting, purification or pre-treatment of waste water
12. for **damage** which is covered by a more specific insurance policy
13. for **damage** caused by persons aware of the defectiveness or harmfulness of products they have placed on the market or works or other services they have performed
14. for **damage** caused by disease in animals belonging to or kept or sold by the **insured**.

Part F – Hirers' Liability

Limit of Indemnity: £2,000,000

Excess: £100 each and every claim for damage to the premises or contents caused other than by fire or explosion

Operative Endorsements

None

Part G – Employers Liability

Limit of Indemnity: £10,000,000

Operative Endorsements:

None

Part H – Libel and Slander

Sum Insured

£500,000

Excess: 10% each and every claim or £1,000 whichever is the lower

Operative Endorsements

None

Part N – Fidelity Guarantee

Persons Guaranteed: **Sum Guaranteed**
 All members and employees £500,000

Excess: £100 each and every loss

Part O – Personal Accident

Cover is limited to £500,000 any one person and £2,000,000 any one incident.

Persons Insured:

Employees

Capital Sum	£100,000.00
Weekly Sum	£500.00
Cover	Sections 2 and 3 - Accident and Assault Cover

Volunteers

Capital Sum	£100,000.00
Weekly Sum	£500.00
Cover	Sections 2 and 3 - Accident and Assault Cover

Directors/Councillors

Capital Sum	£100,000.00
Weekly Sum	£500.00
Cover	Sections 2 and 3 - Accident and Assault Cover

Key Personnel

Key Personnel	Town Clerk & Assistant Clerk	
Capital Sum		£100,000.00
Weekly Sum		£500 for up to 10 weeks and £100 per week thereafter
Cover	Sections 2 and 3 - Accident and Assault Cover	

Operative Endorsements:

1) Special Condition 4 of Section 5 is inoperative provided always that the **insurer** will not make any payment of any benefit or in respect of any expense or loss arising from any Person Insured who has attained the age of 90 years unless such expense or loss arises during the period of insurance during which the Person Insured attains the age of 90

2) Key Personnel endorsement

It is agreed that Section 2 and Section 3 will be extended to a 24hr basis for Key Personnel.
 and

Section 4 - Exclusions is amended to read;

Section 4 - Exclusions

The **insurer** will not be liable to pay compensation in respect of death or disablement or provide indemnity for **damage** caused directly or indirectly by:

- a) intoxication of, or the illegal use of drugs by any Person Insured, or through sexually transmitted disease
- b) deliberate exposure to unnecessary danger (except in an attempt to save human life)
- c) racing of any kind other than on foot
- d) air travel other than as a passenger in a licensed passenger carrying aircraft
- e) with effect from the 2004 renewal date the **insurer** will not be liable for any actual loss directly or indirectly arising out of, contributed to by, or resulting from actual, threatened, feared or perceived use of biological, chemical, radioactive or nuclear agent, material, device or weapon.
- f) motor cycling, winter sports other than skiing or snowboarding in the United Kingdom or on a dry ski slope or within a snow dome, skating or curling, aerial pursuits including but not limited to ballooning, bungee jumping, gliding, hang-gliding, micro lighting, parachuting, paragliding or parascending, jet skiing or white water rafting, mountaineering or rock climbing using guides or ropes, hiking, trekking or mountaineering above 3,000 metres, caving, and diving using external breathing apparatus

Part P – Legal Expenses

Section:

3. Employment Disputes and Compensation Awards	Operative
4. Legal Defence	Operative
5. Property Protection and Bodily Injury	Operative
6. Tax Protection	Operative
7. Contract Disputes	Not operative
8. Statutory Licence Protection	Not operative

Limit of Indemnity: £100,000

Operative Endorsements

General Notes

1. Fair presentation of the risk

You must make a fair presentation of the risk to us at inception, renewal and variation of your policy. This means that we must be told about all facts and circumstances which may be material to the risks covered by the policy and that you must not make a misrepresentation to us about any material facts. As part of your duty of fair presentation, you must ensure that the information detailed within the schedule is correct and complete. A material fact is one which would influence the acceptance or assessment of the risk. If you have any doubt about facts considered material, it is in your interests to disclose them to us.

Failure to make a fair presentation of the risk could result in the policy either being avoided, written on different terms or a higher premium being charged, depending on the circumstances surrounding the failure to present the risk fairly.

This policy is compliant with the principles of the Insurance Act 2015 law reforms. It also incorporates an 'opt out' which has the aim to promote good customer outcomes. We have opted-out of the 'proportionate reduction of claim remedy' available to insurers under the Insurance Act 2015. This means that in cases of non-disclosure or misrepresentation which are neither deliberate nor reckless, if we would have charged an additional premium had we known the relevant facts, we will charge that premium and pay any claims in full rather than reducing claims payments in proportion to the amount of premium that would have been charged.

We believe that our 'additional premium approach' should, in most situations, be more favourable to our customers when compared to the proportionate reduction of claim remedy. Our additional premium approach does not affect our right to apply the other remedies available under the Act for non-disclosure or misrepresentation.

2. Cancellation

All insurance policies run for a fixed period of time. The Insured can terminate an insurance contract verbally or in writing at any time by calling 0800 917 9531 or emailing Customers.team@uk.zurich.com. Zurich may cancel the policy by giving 30 days' notice in writing. In such an event the insured will be entitled to a return of premium in respect of the unexpired portion of the period of insurance.

If you cancel your policy before the start date, you will be entitled to a full refund of premium. If you cancel within 14 days of the start date, you will be entitled to a full refund of premium, providing no claim has been made. After 14 days, if no claim has been made, we may offer a full or partial refund, depending on the time the policy was on risk and the circumstances at the time of the cancellation request. Please note, a cancellation charge of £50 may be applied.

3. Bonus and fee structure

Employees and businesses who work for ZIP UK are remunerated in various different ways for selling insurance contracts. Employees receive a basic salary and also receive a bonus based on a number of factors, including the achievement of sales and quality targets. Businesses which work for the insurer on an outsourced basis receive a fee and also additional payments based on a number of factors, including the achievement of sales and quality targets.

Claims contact information

If you need advice on a claim, it is important that you speak to the appropriate specialist. Claims specialists are available to discuss your cover and advise you on how to make a claim. Their contact details are:

Type of Claim	Claims team	Claims contact details			
Buildings, contents including "All Risks" Items	Property Claims	Tel:	0800 028 0336		
Business interruption		Email:	farnboroughpropertyclaims@uk.zurich.com		
Money		Address:	Zurich Municipal Property Claims, Zurich Financial Services, PO Box 3303, Interface Business Park, Swindon, SN4 8WF		
Works in progress					
Public liability	Liability Claims	Tel:	0800 876 6984		
Employers liability		Email:	fnlc@uk.zurich.com (new claims) zmflc@uk.zurich.com (subsequent correspondence)		
Personal assault under Money					
Personal accident		Address:	Zurich Municipal Casualty Claims, Zurich House, 1 Gladiator Way, Farnborough, Hampshire, GU14 6GB (DX 140850, Farnborough 4)		
Financial and administrative liability					
Professional negligence					
Hirers liability					
Fidelity guarantee					
Libel and slander					
Engineering insurance					
Engineering – Deterioration of stock					
Business travel					
Motor				Motor Claims	Tel:
				Email:	zmotorclaimsoffice@uk.zurich.com
		Address:	Zurich Municipal Motor Claims, PO Box 3322, Interface Business Park, Swindon, SN4 8XW		
Legal Expenses	DAS Legal Claims	Tel:	0117 934 2116 (Switchboard)		

General claims procedure

This is a description of the general claims procedure you will need to follow:

1. Contact the relevant claims office, to notify the claim
2. If necessary, a claim form will be sent out to you for completion, or you will be asked to send details in writing
3. In the event of uncertainty, please call the relevant office for guidance.
4. Out of hours/Emergency Property losses - please contact 0800 028 0336
5. Track open claims on-line at: <https://www.zurich.co.uk/municipal/existing-customers>

DAS Head and Registered Office:

DAS Legal Expenses Insurance Company Limited | DAS House | Quay Side | Temple Back | Bristol | BS1 6NH
Registered in England and Wales | Company Number 103274 Website: www.das.co.uk
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DAS Law Limited | North Quay | Temple Back | Bristol | BS1 6FL
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New Bank Account - Report

Report by: Assistant Clerk
To: Full Council
Date: For consideration on 7 June 2022

Recommendation

The Council is recommended to consider the report below in relation to the opening of new Town Council current accounts and an investment account.

1. Purpose

1.1 This report provides information on different accounts that the Town Council is eligible to open.

2. Background

2.1. Credition Town Council currently has 1 current account and 4 savings accounts:

Bank	Balances as at 31/05/22
Co-operative (Current Account)	£247,233.88
Nationwide	£79,283.04
United Trust Bank	£87,840.74
Cambridge & Counties	£88,091.32
Hampshire Trust Bank	£79,148.28

2.2. Local councils' investments and deposits are protected under the Financial Services Compensation Scheme up to £85,000 therefore it is recommended to diversify the Council's savings to keep balances below this amount.

2.3. £85,000 needs to be moved from the current account to another investment account.

2.4. Opening a second current account should be considered in order split the current account balance across two banks.

2.5. Due to there being a large number of transactions relating to the youth club, it would also be beneficial to consider opening a secondary current account with the Coop in order that youth transactions can be separated from other day to day council transactions.

3. Proposals

3.1 Deposit money into CCLA Public Sector Deposit Fund:

Bank	Interest	Fees	Other
Public Sector Deposit Fund	Interest rate at the end of April was 0.6%. The rate changes on a daily basis depending on the financial markets.	0.08% fee taken off before interest calculated	The PSDF is a cash based, AAA rated, money market fund (MMF) The fund is low risk, provides good liquidity and good yield. Instant access to funds. As with any investment, interest rates can fluctuate. However, the risk attached to the Council's current account balance being well over the FSCS limit is much greater.



Crediton Town Council

- 3.2 Open a second current account as well as a secondary account with the Cooperative Bank, options presented below:

Bank	Fees	Transaction fees	Other
Coop Bank	None	None (Beneficial for the Youth Club due to the high volume of small transactions)	Would be linked to existing current account
Lloyds Bank	£7 per month (Free for first 12m)	Electronic transactions: FREE Cheques: 85p per transaction	
Unity Trust Bank	£6 per month	15p per individual credit and debit transaction	Good reputation for quick/reachable customer service support.

4. Financial Implications

- 4.1 Savings account: No financial implication in opening this account
4.2 Current account: No financial implication with opening a secondary Coop account.
Lloyds Bank: £84 per year, plus transaction fees
Unity Trust Bank: £72 per year, plus transaction fees

5. **Conclusion**

Opening additional bank accounts is necessary to ensure the council's funds are sufficiently protected.

Emma Anderson
Assistant Clerk