



HERTFORD TOWN COUNCIL

TO: ALL MEMBERS OF THE
HERTFORD TOWN COUNCIL

You are hereby summoned to attend a meeting of Hertford Town Council to be held
in the Robing Room, The Castle, Hertford:

7.30 PM ON: MONDAY 30 OCTOBER 2017

The Agenda for the business to be transacted at the Meeting is attached.

Dated **20th** day of **October 2017**

A handwritten signature in black ink that reads "Joseph Whelan".

Mr J Whelan
Town Clerk
Hertford Town Council

MONDAY 30 OCTOBER 2017

Prayers: The Mayor's Chaplain will say prayers at the start of the meeting.

AGENDA

1. DECLARATIONS OF INTEREST

To receive Members' declarations of Disclosable Pecuniary Interests (as defined by the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012) where these Disclosable Pecuniary Interests:

- a) Have not already been entered into the register and
- b) Relate to a matter to be considered

To note that such interests so declared must be formally notified to Town Clerk and the Monitoring Officer at East Hertfordshire District Council of the interest within 28 days.

To receive Members' declarations of Declarable Interests in accordance with Hertford Town Council's Code of Conduct (adopted 8th April 2013).

2. MAYOR'S ANNOUNCEMENTS

3. TO CONFIRM THE MINUTES of the Full Town Council meeting held on 10 July 2017.

4. QUESTIONS AND/OR STATEMENTS FROM MEMBERS OF THE PUBLIC

Members of the public may speak about specific items on this agenda which contain a recommendation, provided they have advised the Town Clerk of their wish to speak no later than midday on the Friday before the meeting (or midday of the last working day of the week before the meeting). A list giving details of the name(s) and relevant agenda item(s) will be circulated to Councillors before the meeting commences.

5. COMMUNITY SERVICES

To receive the report of the Community Services Committee held on 18 September 2017.

6. DEVELOPMENT AND LEISURE

To receive the report of the Development and Leisure Committee held on 2 October 2017 (including the reports of the Planning Sub-Committee meetings of 26 June, 10 July, 24 July, 7 August, 21 August, 4 September and 18 September 2017, the Sele Neighbourhood Planning Working Party of 8 June 2017, the Bengeo Neighbourhood Plan Working Party of 6 July, 3

August and 31 August 2017, and the Markets Working Party held on 24 July 2017)

7. FINANCE, POLICY AND ADMINISTRATION

To receive the report of the Finance, Policy and Administration Committee held on 16 October 2017 (including the report of the Personnel Sub-Committee meetings of 4 September 2017)

RECOMMENDATION: that subject to any changes the Council may wish to make, the Financial Risk Assessment, **PAPER A (Page 3)** and the contents of the final external audit report with audit certificate be noted. **PAPER B (Page 9)**

8. REVISED STAFF STRUCTURE

To approve the revised staff structure. **PAPER C (Page 15)**

PAPER A

HERTFORD TOWN COUNCIL - FINANCIAL RISK ASSESSMENT 2017/18

	Risk	Procedures to Address	Reassess
	Lack of general financial control		
1	Lack of responsible officer	Appointment of RFO	When Clerk or RFO resigns
2	Lack of Financial SOs	Financial Standing Orders based on NALC guidelines are reviewed annually and changes adopted by Council	Annually
3	Lack of overview of Council's Financial Position	FPA Committee's responsibility to check periodically Internal Auditor's report and review of internal audit effectiveness Regular reporting of Budget v. Actual to FPA Committee	Ongoing Annually Each meeting
4	Lack of Power to spend	Town Clerk and RFO to check Council spending within powers	Ongoing
5	Loss/destruction of financial documentation	RFO & Town Clerk or assistant to hold keys to finance office filing cabinets and basement finance archive. RFO to lock away cheque book and other important documents	Ongoing Ongoing
6	Loss of computerised records	Daily back-up of computerised systems Storage off-site on the server of the Council's IT support contractor.	Daily Ongoing
7	Lack of skill in systems	Training for RFO & Town Clerk or Assistant External IT support contractor engaged for technical assistance.	As needed
8	Inadequacy of Lease Arrangements	All leases and licences are reviewed by Town Clerk and Council's Solicitor	As needed
9	Bad Debt Management	RFO conducts a monthly reconciliation of outstanding debts and passes to Finance Assistant pursue payment RFO to report any debts outstanding for more than 90 days to FPA Long standing debts are pursued through small claims court. New lessees to be required to submit a substantial rent bond to cover potential non-payment.	On going
10	Lack of effective internal and external auditing processes	Appointment of competent auditors to carry out internal audit twice per year. External Auditors appointed by Audit Commission	Twice per year
	Accounting errors		
1	Incorrect expenditure code attribution	RFO to attribute code on receipt of invoice RFO to check budget allocation	Ongoing Monthly

PAPER A

2	Incorrect data entry	RFO enters data on spreadsheets or computer software which is checked by assistant Entries on schedule are checked by RFO and assistant before submission to Council	Ongoing Quarterly
HERTFORD TOWN COUNCIL - FINANCIAL RISK ASSESSMENT			
	Risk	Procedures to Address	Reassess
3	Incorrect entries by Bank/RFO	RFO to do bank reconciliation through software or manually RFO to examine resultant reconciliation and checked by Town Clerk	Monthly Monthly
4	Discrepancies in reports to Council	Statement of payments reported checked and countersigned by RFO, Chairman & a third Councillor signatory	Monthly
5	VAT discrepancies	VAT reconciled to financial schedule VAT reclaimed quarterly	Monthly Ongoing
6	Incorrect invoicing	Clerk or Assistant to prepare invoices and enter on schedule RFO to check invoices before sending RFO to check schedule for debtors	Ongoing Ongoing Monthly
	Budget overspend		
1	Overspend against Budget	RFO to check sufficient funds available prior to expenditure incurred Budget v. Actual examined	Monthly At each Ctte meeting
2	Lack of resources to meet contract commitments	Review contracts through committees	Annually and as and when
3	Inadequacy of reserves	Reviewed by FPA	Annually
4.	Loss of income	Credit references to be taken out on all new lessees of Council properties to reduce the risk of loss of income prior to the end of the lease.	Ongoing
	Misappropriation of public funds		
1	Expenditure without authority	Prior approval for spending outside the scope of agreed budget to be authorised by and reported to Council or committee	Ongoing
2	Invoice payment without authority	All payments to be listed on a schedule and reported to FPA Ctte at each meeting, with Town Clerk and RFO authorised to make payment in accordance with the budget	Monthly
3	New cheque book misappropriation	All cheque books to be collected from the bank Cheques to be stored in a locked drawer on Council premises.	Ongoing

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4	Cheque misuse	Cheques agreed against the approved schedule to be signed by at least two signatories, who must be councillors authorised by the bank mandate (currently under review). All signatories must initial the invoice.	Ongoing
5	Incoming cash and cheque misappropriation	All cash and cheques to be stored securely and banked within 5 working days. Individual receipts to be issued for allotments rents and other payments, as requested, and stored securely.	Ongoing
HERTFORD TOWN COUNCIL - FINANCIAL RISK ASSESSMENT			
	Risk	Procedures to Address	Reassess
6	Cheque fraud	Monthly bank reconciliation to be carried out promptly at month end and regular checks to be made of bank account for suspicious items	Ongoing
7	Theft of funds	Bank statements to be reconciled and signed off by RFO, checked by Town Clerk and examined by Finance Committee RFO to ensure Fidelity Insurance in place against theft of funds by staff, councillors and other persons.	Monthly Reviewed annually
8	Theft of petty cash	Petty Cash to be kept in a locked box in a locked cupboard. Petty Cash level to be as agreed by Council. Payments to be made against a slip signed and countersigned by the RFO and the Town Clerk or Assistant; or in either's (but not both) absence by an appropriate member of Council	Daily or as needful
9	'Key Man' Risk	Daily limit on total amount of transactions. Payroll figures checked by both RFO and Town Clerk prior to payroll run. Bank reconciliation carried out monthly and checked by RFO and Town Clerk. List of payments and bank reconciliations presented to Finance Committee. Finance Assistant has been trained to cover key aspects of the RFO's work in order to cover the loss of RFO	Ongoing
10	Debit/Credit Card Terminal Fraud	Monthly scrutiny of refunds processed via the card terminals at the Castle and Town & Tourist Information Centre to ensure that refunds are genuine and justified transactions.	Ongoing
	Other Financial Risk		

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1	Risk of Bank Failure	Banking and short-term sterling investments must be with bodies/institutions with a credit rating of AA- or higher from at least 2 of the top 3 agencies comprising Moody's, Standard and Poor's and Fitch. Currently HSBC.	Ongoing
	Under Insurance of Council Assets		
1	Level of cover inadequate	Reviewed by RFO in association with FPA Committee	Annually
2	Inadequate records of possessions	Asset Register maintained by RFO and listed in Notes to the Accounts at Audit. Deeds and other legal documents relating to assets stored securely by Council's Solicitor.	Annually Ongoing
HERTFORD TOWN COUNCIL - FINANCIAL RISK ASSESSMENT			
	Risk	Procedures to Address	Reassess
	Public Liability to provide a Duty of Care		
1	Injury to public	H&S checks to be carried out on public areas of The Castle Inspection of memorials Visual inspections of other Town Council open spaces. Inspection of trees. Adequate insurance for risk.	Weekly visual inspection by Facilities Manager. Formal five yearly by ground staff and regular monitoring Fortnightly by ground staff Annually by tree surgeon Annual reappraisal by RFO
	Employers' Liability		

PAPER A

1	Compensation claim from employee	Contract of employment in place after confirmation of permanent employment. Job description reviewed at appraisal. Matters relating to staff discussed in confidential session. Appropriate training offered for appropriate identified needs. Assessment of employee's work station carried out. Reimbursement of cost of eye test and provision of a basic pair of VDU glasses (max amount to be determined). Adequate insurance for risk.	On appointment Annually When appropriate Ongoing As required Annually Annually
	Clerk's Signature: Date:	Approved by Chairman of Finance: Date:	Date for review: October 2018

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

Annual return for the year ended 31 March 2017

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

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

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

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

Each smaller authority must approve Section 1 and Section 2 in order and in accordance with the requirements of the Accounts and Audit Regulations 2015.

Completing your annual return

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

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

Send the annual return, together with the bank reconciliation as at 31 March 2017, an explanation of any significant year on year variances in the accounting statements, **your notification of the commencement date of the period for the exercise of public rights** and any additional information requested, to your external auditor by the due date.

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

Once the external auditor has completed their work, certified annual returns will be returned to the smaller authority for publication and public display of Sections 1, 2 and 3. You must publish and display the annual return, including the external auditor's report, by 30 September 2017.

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

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

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

Section 1 – Annual governance statement 2016/17

We acknowledge as the members of:

Enter name of
smaller authority here:

HERTFORD TOWN COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2017, that:

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

This annual governance statement is approved by this smaller authority on:

26/06/2017

and recorded as minute reference:

16/17 - 138

Signed by Chair at meeting where approval is given:

S.M. Dunkley

Clerk:

Joseph White

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

Section 2 – Accounting statements 2016/17 for

Enter name of smaller authority here:

HERTFORD TOWN COUNCIL

	Year ending		Notes and guidance
	31 March 2016 £	31 March 2017 £	
1. Balances brought forward	795,666	1,034,569	Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records. Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	1,049,700	1,076,800	Total amount of precept (or for IDBs, rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	520,797	586,483	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	(547,518)	(632,908)	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the smaller authority's borrowings (if any).
6. (-) All other payments	(784,076)	(754,168)	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	1,034,569	1,310,776	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6)
8. Total value of cash and short term investments	1,114,819	1,439,310	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	* 826,021	826,021	This cell shows the value of all the property the authority owns. It is made up of its fixed assets and long-term investments.
10. Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	The Council acts as sole trustee for and is responsible for managing Trust funds or assets. N.B. The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2017 the accounting statements in this annual return present fairly the financial position of this smaller authority and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer:

S. Parker

Date

05/05/2017

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

26/06/2017

and recorded as minute reference:

16/17-138

Signed by Chair at meeting where approval is given:

S. M. Dunley

* FIXED ASSET VALUE RESTATED DUE TO REDEMPTION OF TREASURY STOCK IN JULY 2015.

Section 3 – External auditor report and certificate

In respect of:

Enter name of smaller authority here:

HERTFORD TOWN COUNCIL

1. Respective responsibilities of the body and the auditor

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

- summarises the accounting records for the year ended 31 March 2017; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

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

2. 2016/17 External auditor report

(~~Except for the matters reported below~~)* on the basis of our review of the annual return, in our opinion the information in the annual return is in accordance with proper practices and no other matters have come to our attention giving cause for concern that relevant legislative 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 smaller authority:

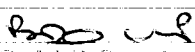
(continue on a separate sheet if required)

3. 2016/17 External auditor certificate

We certify/~~do not certify~~* that we have completed our review of the annual return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2017.

* We do not certify completion because:

External auditor signature


BDO LLP Southampton
United Kingdom

External auditor name

Date

18/9/17

Note: The NAO issued guidance applicable to external auditors' work on 2016/17 accounts in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)

Annual internal audit report 2016/17 to

Enter name of smaller authority here:

NEARFORD TOWN COUNCIL

This smaller authority's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2017.

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

Internal control objective	Agreed? Please choose only one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been kept properly throughout the year.	✓		
B. This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This smaller authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
G. Salaries to employees and allowances to members were paid in accordance with this smaller authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic and year-end bank account reconciliations were properly carried out.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		

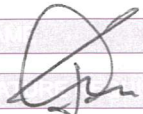
K. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable
			✓

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

J P Watson
For Auditing Solutions Ltd

Name of person who carried out the internal audit

Signature of person who carried out the internal audit



Date

21/04/2017

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

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

Mr S Davies
The Castle
HERTFORD
Hertfordshire
SG14 1HR

19 September 2017
our ref: 2017/F4/HERT02/FINAL
Dial: 023 8088 1737
Email: councilaudits@bdo.co.uk

Dear Mr Davies

Hertford Town Council - Audit for the year ended 31 March 2017

We have now completed the above audit. Please find enclosed the following documents;

- Fee Note
- Notice of Conclusion of Audit
- Notes regarding the advertisement of the Conclusion of the Audit
- Contact details
- Annual Return

There were no matters which came to our attention which required the issuing of a separate additional issues arising report.

The enclosed annual return should be presented to the smaller authority, now that our audit opinion has been given, and a minute should be made to show that the annual return including our certificate has been approved and accepted by the smaller authority. The annual return and notice of conclusion of audit must be published for at least 14 days (including on the smaller authority's website*) as soon as reasonably possible before the 30 September 2017 and must be made available for public access for a period of not less than five years.

BDO LLP are not your appointed auditor for the year ended 31 March 2018 onwards. Smaller Authorities' Audit Appointments (localaudits.co.uk) will be able to advise who your new auditor is, if you have not yet been notified. We thank you for all your assistance over the years we have worked with you and wish you a smooth transition to your new auditor.

Yours sincerely



Mrs Emma Prince
For and on behalf of BDO LLP

Enc.

*In the case of a parish meeting and where the meeting has displayed the information in a conspicuous place for at least 14 days, publication on a website does not apply.



