

**Policy and Finance Committee**

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**Date:** 19 April 2021

**Title:** Annual Governance Review

**Purpose of the Report:** To provide assurance to Committee in recommending approval of the Annual Governance Statement to Council.

**Contact Officer:** Mark Saccoccio, Town Clerk

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<b>Corporate Objective/s</b>		<b>To consolidate processes and procedures, ensuring operational efficiency.</b>
<b>Implications:</b>		
<b>Financial</b>	None	
<b>Human Resources</b>	None	
<b>Operational/Service delivery</b>	Yes	Procedures remain fit for purpose in terms of risk management and internal control.
<b>Legal</b>	Yes	To ensure the Town Council has proper practices in place in accordance with legislation and guidance.

**1. RECOMMENDATIONS**

- 1.1 To note the report.**
- 1.2 To recommend to Council that minor amendments to the Town Council’s credit card procedure as set out at Appendix A of this report be endorsed;**
- 1.3 To recommend to Council to endorse minor amendments to Standing Orders to fairly reflect Brexit transitional advertising of contract arrangements as set out at paragraphs 5.2 and 5.3 of this report;**
- 1.4 To recommend to Council to endorse minor amendments to Financial Regulations to fairly reflect Brexit transitional advertising of contracts arrangements as set out at paragraph 6.3 of this report.**

## 2. BACKGROUND

- 2.1 Parish Councils are required to complete and sign an annual statement of governance prior to approving the annual statement of accounts, in accordance with The Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2015.
- 2.2 The statement gives assurance that the Council has an adequate system of internal control in place, as well as effective measures for financial management during the year.
- 2.3 In accordance with the regulations above and as set out in the Town Council's Financial Regulations (available on the website), the Council has established a Statement of Risk Management and Internal Control (adopted by Council in April 2018). Since its adoption in 2018, the said control document has been the subject of its bi-annual review (approved by Policy and Finance Committee in July 2020).
- 2.4 The Statement sets out the various procedures and measures in place to determine and mitigate different risks, as well as clearly defining the roles and responsibilities of Council, Committees, Councillors and Officers in the ongoing financial management of the Council.

## 3.0 UPDATE

- 3.1 In terms of the Town Council's Financial Regulations, transitional advertising arrangements caused by Brexit have led to subtle changes in the way contracts are to be advertised and these have been reflected in a proposed minor change to the Town Council's Financial Regulations and Standing Orders.
- 3.2 A review has been undertaken of the Town Council's credit card procedure. The procedure together with the proposed amendments can be found at **Appendix A** of this report. The way purchases are made by way of the credit card procedure hasn't changed. However, the proposed amendments reflect changes in personnel and to the reporting system given the deletion of the Accounts Sub-Committee.
- 3.3 No issues have arisen as a result of the internal auditor's interim or final reports for the year ending 31 March 2020. To date, no issues have arisen in this financial albeit the final report has yet to be received albeit is anticipated shortly.
- 3.4 The five-year contract with the internal auditor does not currently require review.
- 3.5 At its meeting held 18 January 2021, the Policy and Finance Committee was presented with the entire Risk Register which had been revisited to ensure it remained accurate, up-to-date and fit for purpose. Each specific area of risk

had been re-evaluated. Where practicable, action items had been addressed during the re-assessment period.

- 3.6 New actions for 2021-22 include land east of Leighton-Linslade, bye-laws, headstones safety survey, review of investment policy, protocol for funding/donations, 10 year buildings maintenance plan and skate park (nearing end of life expectancy). The action plan summarises a proposed course of action for each area, who is responsible and a proposed deadline date.

#### **4. STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL**

- 4.1 The Statement as adopted by Council on 16 April 2018 and last reviewed by this committee in July 2020. It is considered to remain accurate and fit for purpose and therefore no amendments are proposed.

#### **5. STANDING ORDERS**

- 5.1 The following changes are minor in nature and do not compromise in any way the work that the Standing Order Task and Finish Group has been involved in and with. The changes are made to reflect transitional advertising arrangements brought about by Brexit and to reflect current financial threshold figures. Accordingly, Section 18 (e) is amended to read:

A public contract regulated by the Public Contracts Regulations 2015 with an estimated value in excess of £25,000 but less than the relevant thresholds in standing order 18(h) is subject to Regulations 109-114 of the Public Contract Regulations 2015 which include a requirement on the Council to advertise the contract opportunity on the Contracts Finder (Find a Trader) website regardless of what other means it uses to advertise the opportunity, unless it proposes to use an existing list of preferred suppliers ("the framework agreement").

- 5.2 At Section 18 (h) of Standing Orders, the financial thresholds have been amended as well as the omission of the reference to OJEU and in its place reference made to the Find a Trader website to now read:

A public contract regulated by the Public Contracts Regulations 2015 with an estimated value in excess of £189,330 for a public service or supply contract or in excess of £4,733,252 for a public works contract shall comply with the relevant procurement procedures and other requirements in the Public Regulations 2015 which include advertising the contract opportunity on the Find a Tender Contracts Finder website.

- 5.3 Section i. to be amended to now read:

A public contract in connection with the supply of gas, heat, electricity, drinking water, transport services, or postal services to the public; or the provision of a port or airport; or the exploration for or extraction of gas, oil solid fuel with an

estimated value in excess of £378,660 for a supply, services or design contract; or in excess of £4,733,252 for a works contract; or £663,540 for a social and other specific services contract shall comply with the relevant procurement procedures and other requirements in the Utilities Regulations 2016.

- 5.4 The minor amendments as set out above will be presented to Council at its meeting to be held 26<sup>th</sup> April 2021. The amendments are made to fairly reflect the changes brought about by the United Kingdom exiting the European Union.
- 5.5 As mandatory legal requirements, these changes may be approved by Council at its next meeting without having to stand adjourned (S.O. 26b).

## **6. FINANCIAL REGULATIONS**

- 6.1 NALC issued an update to the Model Financial Regulations in August 2019 and these have been reviewed and compared with the Town Council Financial Regulations (last amended July 2020).
- 6.2 The 31<sup>st</sup> of December 2020 marked the end of the transition period for the purposes of leaving the European Union. Consequently, there are new advertising requirements with the introduction of “find a tender” a UK Government led platform. New procurement rules mean that instead of advertising a contract on the Official Journal of the European Union OJEU/TED (Tenders Electronic Daily – a supplement to the OJEU) platform, all new projects are to be advertised on Find a Tender. The financial thresholds remain unchanged.
- 6.3 The proposed change is to amend footnote 3 of 11.1.b from:

The Regulations require Councils to use the Contracts Finder website to advertise contract opportunities, set out the procedures to be followed in awarding new contracts and to publicise the award of new contracts.

to now read:

The Regulations require Councils to use the Contracts Finder (Find a Tender) website to advertise contract opportunities, set out the procedures to be followed in awarding new contracts and to publicise the award of new contracts.

## **7. CONCLUSIONS**

- 7.1 The Town Council continues to have strong and effective systems in place for internal control, risk management and financial management.

7.2 The Committee is asked to consider the recommendations as set out in paragraph 1.

**End.**