

Dunstable Town Council
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DUNSTABLE
TOWN COUNCIL

David Ashlee Town Clerk and Chief Executive

Your Ref

Our Ref: DA/RGS/C2

Date: 12 March 2018

Dear Councillor

Could you please note that a meeting of the Finance and General Purposes Committee will be held on **Monday 19 March 2018 at 7.00 pm**, at the Council Chamber, Grove House, 76 High Street North, Dunstable, when the following business will be transacted.

AGENDA

1. Apologies for Absence.
2. To approve the Minutes of the Meetings of Finance and General Purposes Committee held on 22 January 2018 (copy previously circulated).
3. Specific Declarations of Interest.
4. To nominate a Town Mayor and Deputy Town Mayor for election at the Annual Council Meeting to be held on 21 May 2018.
5. Accounts – to receive the Minutes of the meetings of Accounts Sub-Committee held on 24 January and 21 February 2018 (see page 1). (The full schedule of accounts approved at these meetings will be on the table for inspection by Members.)
6. Financial Monitoring Report — see page 7.
7. Internal Audit Report 2017/18 (Interim Update) – see page 12.
8. Corporate Plan Capital Programme – see page 19.

Cont/d ...

DA/RGS/C2
12 March 2018

9. Representatives on Outside Organisations - to receive reports from representatives on the following outside organisations:

CAB Management Committee – Councillor Meakins
Dunstable International Town Twinning Association – Councillors Martin and Warren
Hospice at Home Management Committee – Councillor Jones
Ashton Schools Foundation – Councillors Sparrow
Ashton Almshouses Charity – Councillors Russell and Staples
Chews Foundation – Councillor Chatterley
Poor's Land Charity – Councillors Hollick and Staples

NB: Those Members who are not members of this Committee but are representatives of organisations reporting thereto are reminded to provide a report in time for the meeting.

It is recommended that the following item be considered after a resolution has been passed excluding the press and public.

PART 2

1. Land disposal – see page 22 (for Members only).

Yours faithfully

David Ashlee
Town Clerk and Chief Executive

To: All Members of Finance and General Purposes Committee:
Councillors Gloria Martin (Town Mayor), John Kane (Deputy Town Mayor), Peter Hollick (Chairman), John Chatterley (Vice-Chairman), Sid Abbott, Terry Colbourne, Philip Crawley, Eugene Ghent, Liz Jones, Anne Kennedy, Claire Meakins, Mike Mullany, Patricia Russell, Ann Sparrow, Pat Staples and Nigel Warren and other Members of the Council for information.

DUNSTABLE TOWN COUNCIL

MINUTES OF ACCOUNTS SUB-COMMITTEE

HELD AT GROVE HOUSE, 76 HIGH STREET NORTH, DUNSTABLE

ON WEDNESDAY 24 JANUARY 2018

Present: Councillors Nigel Warren (Vice-Chairman) (in the Chair), Terry Colbourne, John Kane and Sid Abbott with Lisa Scheder (Finance Officer)

Apologies for Absence: Councillor Peter Hollick (for whom Cllr Abbott substituted)

1. APPOINTMENT OF CHAIRMAN AND VICE-CHAIRMAN

Following his appointment as Chairman of Finance and General Purposes, Councillor Hollick automatically became a member of this Sub-Committee, filling the recent vacancy.

RESOLVED: that Councillor Nigel Warren be appointed Chairman and Peter Hollick be appointed Vice-Chairman of this Sub-Committee for the remainder of the municipal year.

2. PAYMENT OF ACCOUNTS

The Finance Officer presented the supporting documentation for consideration in approving the schedule of accounts for payment, including the detailed Purchase Ledger Daybook of invoices received in the relevant period, the detailed schedule of Purchase Ledger Cheque, Direct Debit and BACS payments, a spreadsheet reconciling invoices received as per the Purchase Ledger and payments made against them.

Detail of all payroll costs for the previous month, including net salaries paid directly by BACS and payments to HMRC, Bedfordshire Pension Fund and Unions were included with a separate audit trail.

The Finance Officer provided further detailed information regarding particular invoices queried by the Sub-Committee.

RESOLVED: i) that the schedule of accounts processed for payment for the period 20 December 2017 to 23 January 2018 be approved (see Appendix 1)

ii) that Councillors' action in authorising prior payments by BACS and Bankline as detailed on the schedule be confirmed

iii) that cheque number 26182 be confirmed as cancelled.

In noting the schedule of payments, Members asked that the cost of photocopier lease rental and copy volume be analysed and reported to a future meeting of this Committee.

In answer to a question, the Finance Officer advised that the utilities contract had been re-negotiated and would remain with the current supplier who had provided the most economical tariffs. Councillor Kane expressed his disappointment that the detail had not been reported to committee.

3. BANK RECONCILIATIONS

In accordance with Financial Regulations, the Sub-Committee verified the bank reconciliations for all accounts as at 31 December 2017 and the Chairman signed the bank statements accordingly.

4. INCOME AND EXPENDITURE

The Sub-Committee received the Income and Expenditure report as at 31 December 2017, which had formed the basis for the Financial Monitoring Report considered at the meeting of Finance and General Purposes Committee on 22 January 2018. Members noted variances against budget for the period and the explanations therefor.

ACCOUNTS SCHEDULED FOR PAYMENT 20TH DECEMBER 2017 TO 23RD JANUARY 2018

Invoices received as per Purchase Ledger Daybooks (Pages 2396 - 2417)	£81,990.48	<u>£81,990.48</u>
CHEQUE PAYMENTS		
Cheque payments against invoices (Pages 5731 - 5732) Cheque Nos. 26420 - 26428	£1,333.40	<u>£1,333.40</u>
31.12.17 Cancelled Cheque No. 26182 - Contact the Elderly- Cheque Not Cashed (Page 5706)	-£40.00	<u>-£40.00</u>
BANKLINE PAYMENTS		
Bankline payments against invoices - Suppliers A-D (Pages 5714 - 5718)	£20,800.36	
Bankline payments against invoices - Suppliers E-H (Pages 5719 - 5721)	£13,520.33	
Bankline payments against invoices - Suppliers I-L (Pages 5722 - 5723)	£11,164.50	
Bankline payments against invoices - Suppliers M-P (Pages 5724 - 5726)	£2,933.89	
Bankline payments against invoices - Suppliers Q-T (Pages 5727 - 5728)	£6,428.27	
Bankline payments against invoices - Suppliers U-Z (Pages 5729 - 5730)	£1,797.55	
		<u>£56,644.90</u>
09.01.18 Confirmation Bankline Payment - Project Design Studio (Page 5707)	£2,148.00	
		<u>£2,148.00</u>
11.01.18 Direct Credit Received - Project Design Studio- part invoice refund (p/of Page 5710)	-£318.00	
15.01.18 Direct Credit Received - SG Gemmell Ltd- refund for returned equipment (p/of Page 5710)	-£106.80	
		<u>-£424.80</u>
DIRECT DEBIT PAYMENTS		
Payments Due by Direct Debit (Pages 2403 - 2404 & 2406)	£5,552.34	
Payments entered in current month now paid (P/of Pages 5703 - 5705, p/of 5708 - 5709 & 5711 - 5713) P/of Pages 5696 - 5704 relate to last months direct debits/credits due now paid/received	£16,776.64	
		<u>£22,328.98</u>
	SUB TOTAL	£81,990.48
CASHBOOK PAYMENTS		
22.12.17 Confirmation BACS Payment - December Payroll	£80,065.19	
09.01.18 Confirmation Bankline Payments - December Payroll Costs	£46,190.54	
09.01.18 Confirmation Bankline Payment - Childcare Vouchers	£512.24	
		<u>£126,767.97</u>
31.12.17 - Natwest - Monthly Bank Charges	£155.90	
15.01.18 - Natwest - Monthly Bankline Charges	£63.20	
		<u>£219.10</u>
CASH CHEQUE PAYMENT		
Cash Cheque - Grove Corner Petty Cash Reimbursement	£36.63	
Cash Cheque - OPDCS Petty Cash Reimbursement	£30.00	
Cash Cheque - Priory House Petty Cash Reimbursement	£144.09	
Cash Cheque - Grove House Petty Cash Reimbursement	£48.46	
Cash Cheque - Dunstable Joint Committee Shop Front Competition Prize	£50.00	
24.01.18 Cash Cheque No. 26429 for the above		<u>£309.18</u>
TOTAL PAYMENTS FOR PERIOD 20TH DECEMBER 2017 TO 23RD JANUARY 2018		£209,286.73

DUNSTABLE TOWN COUNCIL

MINUTES OF ACCOUNTS SUB-COMMITTEE

HELD AT GROVE HOUSE, 76 HIGH STREET NORTH, DUNSTABLE

ON WEDNESDAY 21 FEBRUARY 2018

- Present: Councillors Nigel Warren (Chairman), John Chatterley and John Kane with Rosemary O'Sullivan (Head of Finance and Support Services)
- Apologies for Absence: Councillor Terry Colbourne and Peter Hollick (Vice-Chairman)(for whom Councillor John Chatterley substituted)

1. REVIEW OF ROLE OF ACCOUNTS SUB-COMMITTEE

Members recalled that since 2014 there was no statutory requirement for two elected members to sign cheques and other orders for payment and the Town Council's Financial Regulations had been amended to include provision for making electronic payments. However, the Regulations retained the two member signature requirement and authorisation of payments continued under delegated authority to the Accounts Sub-Committee. Members discussed whether alternative arrangements could be made and the Chairman suggested that this could be considered at the forthcoming Group Meeting, to determine whether Members wished Officers to put forward suggestions for alternative arrangements, whilst still ensuring that safe and efficient arrangements are in place to maintain robust controls on payments.

2. PAYMENT OF ACCOUNTS

The Head of Finance and Support Services presented the supporting documentation for consideration in approving the schedule of accounts for payment. This included the detailed Purchase Ledger Daybook of invoices received in the relevant period, the detailed schedule of Purchase Ledger Cheque, Direct Debit and BACS payments, a spreadsheet reconciling invoices received as per the Purchase Ledger and payments made against them.

Detail of all payroll costs for the previous month, including net salaries paid directly by BACS and payments to HMRC, Bedfordshire Pension Fund and Unions were included with a separate audit trail.

The Head of Finance and Support Services provided further detailed information regarding particular invoices queried by the Sub-Committee.

- RESOLVED:** i) that the schedule of accounts processed for payment for the period 24 January to 20 February 2018 be approved (see Appendix 1)
- ii) that Councillors' action in authorising prior payments by BACS and Bankline as detailed on the schedule be confirmed

3. BANK RECONCILIATIONS

In accordance with Financial Regulations, the Sub-Committee verified the bank reconciliations for all accounts as at 31 January 2018 and the Chairman signed the bank statements accordingly.

4. INCOME AND EXPENDITURE

The Sub-Committee received the Income and Expenditure report as at 31 January 2018.

Members noted variances against budget for the period and the explanations therefor.

The Head of Finance and Support Services would provide further information regarding expenditure on Market Clock repairs and the 2017 Fireworks event as requested.

ACCOUNTS SCHEDULED FOR PAYMENT 24TH JANUARY TO 20TH FEBRUARY 2018

Invoices received as per Purchase Ledger Daybooks (Pages 2418 - 2441)
(Page 2441 = correction/clearing page)

£112,763.78

£112,763.78

CHEQUE PAYMENTS

Cheque payments against invoices (Page 5763)
Cheque Nos. 26430 - 26433

£2,003.61

£2,003.61

BANKLINE PAYMENTS

Bankline payments against invoices - Suppliers A-D (Pages 5746 - 5751)
Bankline payments against invoices - Suppliers E-H (Pages 5752 - 5754)
Bankline payments against invoices - Suppliers I-L (Pages 5755 - 5756)
Bankline payments against invoices - Suppliers M-P (Pages 5757 - 5758)
Bankline payments against invoices - Suppliers Q-T (Pages 5759 - 5760)
Bankline payments against invoices - Suppliers U-Z (Pages 5761 - 5762)
(Pages 5741, 5744 & 5745 = correction/clearing pages)

£41,476.68

£16,605.06

£7,181.11

£3,784.46

£6,431.65

£2,921.77

£78,400.73

07.02.18 Confirmation Bankline Payment - BATPC (Page 5742)

£20.00

08.02.18 Confirmation Bankline Payment - Wider Plan Ltd (Page 5743)

£512.24

£532.24

DIRECT DEBIT PAYMENTS

Payments due by Direct Debit (P/of Pages 2420 - 2421, 2424, 2431 - 2432 & 2437 - 2438)
Payments entered in current month now paid (P/of Pages 5734 - 5737 & p/of 5739 - 5740)
Receipts received by Direct Credit (Page 5738)
Page 5733 relate to last months direct debits/credits due now paid/received

£25,719.94

£6,111.44

-£4.18

£31,827.20

SUB TOTAL £112,763.78

CASHBOOK PAYMENTS

26.01.18 Confirmation BACS Payment - January Payroll
08.02.18 Confirmation Bankline Payments - January Payroll Costs

£77,137.59

£44,268.49

£121,406.08

31.01.18 - Natwest - Monthly Bank Charges

£104.34

15.02.18 - Natwest - Monthly Bankline Charges

£63.20

£167.54

CASH CHEQUE PAYMENT

Cash Cheque - OPDCS Petty Cash Reimbursement
Cash Cheque - OPDCS Easter Events Petty Cash
Cash Cheque - CPCFC Petty Cash Reimbursement
Cash Cheque - Grove House Petty Cash Reimbursement
Cash Cheque - Mayoral Petty Cash
Cash Cheque - Long Term Service Award
21.02.18 Cash Cheque No. 26435 for the above
(Cheque No. 26434 = voided cheque)

£15.00

£100.00

£159.62

£46.67

£500.00

£100.00

£921.29

TOTAL PAYMENTS FOR PERIOD 24TH JANUARY TO 20TH FEBRUARY 2018 £235,258.69

FINANCE AND GENERAL PURPOSES COMMITTEE

19 MARCH 2018

FINANCIAL MONITORING REPORT

Purpose of Report:	The purpose of this report is to: i) provide a revenue budgetary control report for the period ending 28 February 2018 ii) provide detail of the Council's earmarked reserves at 28 February 2018
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1. ACTION RECOMMENDED

- 1.1 For Members to note the revenue budget position for the period from 1 April to 28 February 2018.
- 1.2 For Members to note the current balance of the Council's earmarked reserves as at 28 February 2018 and known commitments in the current financial year.

2. INTRODUCTION

- 2.1 Members will be aware that monthly Income and Expenditure reports are submitted for consideration by Accounts Sub-Committee and included with the agenda which is distributed to all Members.
- 2.2 The Income and Expenditure provides the detail for this budgetary control report which summarises the net expenditure against the budget for each service area as at 28 February 2018, together with a projection of the outturn at the end of this financial year taking account of all known variances to date.

3. REVENUE BUDGETARY REPORT

- 3.1 The Accounts Sub-Committee has previously received information in respect of the variances against budget which allow for seasonal fluctuations in income and expenditure.
- 3.2 The summary at Appendix 1 shows the net expenditure at 28 February per service area and an indication of the anticipated outturn against budget. The summary accounts for known increased costs and/or reduced income against budget, which have previously been reported.
- 3.3 Members have previously received financial information regarding Priory House Tea Rooms, Dunstable Market, Dunstable Cemetery and Creasey Park Community Football Centre through reports to the relevant Committees when variances against the profiled budget as at January 2018 were reported.

- 3.4 The summary indicates an overall revenue shortfall at the end of the financial year, which is in line with that reported to Committee in January as at December 2017. This takes account of previously identified additional costs or loss of income which are being managed within the overall service area budgets and being offset by reduced costs and additional income in other areas.
- 3.5 As previously reported, the significant shortfall under Finance and Support Services is mainly attributable to the unbudgeted cost of forthcoming by elections, included in the budget for Democratic Management and Representation, estimated at £55,000 but this could be higher. Additional expenditure has also been incurred for IT Support included within Central Services to complete a Cyber Essential Audit as a first step towards ensuring the Council's compliance with the new General Data Protection Regulations (GDPR) coming into force from May 2018. This unbudgeted expenditure can only be minimally offset by reduced expenditure within the Finance and Support Services budget. It has therefore been necessary to offset this as much as possible from other Service areas.
- 3.6 There is now a potential overall saving against Grounds and Environmental Services, which is an improved position from that reported as at December 2017. Members will already be aware of the predicted overspend at Creasey Park Community Football Centre and the reasons therefor. However, the Cemetery income is now predicted to be higher than previously anticipated which, together with savings in other areas, has led to an overall saving for these services rather than a shortfall.
- 3.7 The Community Services budget continues to show a potential underspend which is mainly attributable to reduced staffing costs and additional sponsorship for the Events Programme, which offset additional costs incurred at Priory House, primarily for a new boiler but also reduced income from the Tea Rooms.
- 3.8 Taking account of the above, the summary shows a potential for an overall net revenue shortfall at the end of the financial year, which will have to be met from the General Reserve.
- 3.9 Budget Managers will continue to monitor and control budgets accordingly within their respective service areas.

4. RESERVES

- 4.1 The schedule enclosed at Appendix 2 provides detail of actual contributions to and expenditure from reserve funds in the current financial year as at 28 February 2018.
- 4.2 The schedule also includes the detail of further agreed/known commitments from earmarked reserves in this financial year and indicates an estimated end of year balance, which is of course subject to any further agreed expenditure.

5. GENERAL RESERVE

- 5.1 Members will be aware that the Council's current Treasury Management Policy provides that *"a general balance is maintained to protect the Council from unforeseen events and to give time to respond to such events. The Council will work towards maintaining a general balance of £300,000 or 25% of the salary*

budget." It should be noted that the gross salary budget for the financial year 2018/19 (excluding on-costs) is £1,254,680, 25% of which is £313,670.

- 5.2 The table below summarise the movement in the General Reserve on the basis of the predicted revenue shortfall and also provides a reminder of the previously agreed allocation from the General Reserve for specific items not yet charged.

Balance at 1 April 2017	585,195)	(includes stock to the value of £16,579
Potential contribution to offset revenue shortfall	-20, 583	As indicated at Appendix 1
Contribution to Corporate Plan Capital Programme	-100,000	Minute 209/2017 refers
Contribution to costs of Priory Archway	-10,000	Minute 124/2017 refers
Provisional Balance at 31 March 2018	454,612	

In addition, the Council has agreed to underwrite any shortfall in third party contributions to refurbish Dunstable War Memorial, with estimated total project costs of £50,000.

6. **FINANCIAL IMPLICATIONS**

- 6.1 These are inherent within the content of this report.

7. **APPENDICES**

Appendix 1 - Summary of Net Revenue Expenditure
Appendix 2 - Summary of Reserves

8. **AUTHOR**

- 8.1 Rosemary O'Sullivan – Head of Finance and Support Services
E-mail: rosemary.osullivan@dunstable.gov.uk

DUNSTABLE TOWN COUNCIL SUMMARY OF NET EXPENDITURE		Item 6		Appendix 1	
	Budget 2016/17	Budget 2017/18	Actual at Feb 18	Projection for year ending 31-Mar-18	Variance against total budget per service area
Finance and Support Services					
Staff Costs	265,188	270,273	249,637	271,874	
Central Services	78,150	91,150	75,495	98,306	
Grove House	32,723	27,787	30,587	30,971	
Grants	3,500	6,900	6,900	6,900	
Corporate Management	100,970	100,970	78,079	98,452	
Democratic Management and Representation	17,750	17,750	10,269	68,520	
Capital & Projects (inc loan charges)	183,115	112,473	112,473	112,473	
	£681,396	£627,303	£563,440	£687,496	-£60,193
Grounds and Environmental Services					
Staff Costs	455,606	468,215	453,821	462,963	
* Allotments	1,126	683	-2,100	-507.09	
* Cemetery	-52,149	-52,888	-81,268	-77,096	
Recreation Grounds	34,500	36,100	41,587	40,335	
Town Centre and Gardens	43,500	43,350	32,234	39,885	
* Town Ranger Service	31,901	65,787	58,253	64,625	
* Greasey Park Community Football Centre	6,277	7,576	24,565	36,368	
* Bennett Memorial Recreation Ground Splash Park	0	22,703	9,105	18,397	
Capital & Projects	125,968	121,062	121,040	121,040	
	£646,729	£712,588	£657,237	£706,010	£6,578
Community Services					
Staff Costs	210,038	215,754	184,036	203,064	
* Older People's Support Service	21,515	23,378	14,955	20,907	
* Young People's Activities Programme	8,407	8,407	3,710	7,023	
* Grove Corner	25,295	22,507	15,208	19,829	
Mayfield Centre	0	0	0	0	
* Events Programme	102,903	132,703	103,001	124,263	
Marketing	26,500	26,500	22,300	26,240	
* Priory House	203,652	208,669	193,968	214,447	
Town Centre Management	28,500	28,500	20,857	28,500	
* Dunstable Market	38,864	44,300	28,131	42,334	
* Ashton Square Public Conveniences	38,225	39,438	27,008	30,517	
Capital & Projects	91,214	91,689	91,689	91,689	
	£795,113	£841,845	£704,863	£808,813	£33,032
* Includes Direct Staff Costs only					
Total Net Expenditure	£2,123,238	£2,181,736	£1,925,540	£2,202,319	Potential overall revenue shortfall -£20,583

Appendix 2

	Description	Balance as at 01.04.17	Contributions Revenue/Other	Expenditure in year	Bal to date as at 28.02.18	Commitments/Programme of works, etc	Committed Amount	Bal after committed
311	Corporate Plan Reserve	£49,582	£14,810	-£45,343	£19,050			£19,050
313	CP Sinking Fund	£29,084		-£16,210	£12,874	CPCFC Kitchen Extension £20,000 (less exp in 15/16 £1,143; 16/17 £2,255 and 17/18 to date £16,210)	-£391	£12,482
314	Christmas Lights Reserve	£10,244	£1,500		£11,744	New/improved lighting		£11,744
317	Skatepark Reserve	£9,523			£9,523	To be determined		£9,523
318	Building Security Systems	£5,357			£5,357	To be determined		£5,357
319	NEW Cemetery Memorial Safety	£3,000		-£2,700	£300	Memorial safety inspections due		£300
320	NEW Priory House Tearooms Equip	£2,125	£1,500	-£2,125	£1,500	Tearooms Kitchen Equipment		£1,500
321	Vehicle/Equipment Reserve	£78,057	£35,000	-£22,060	£90,997	IT/Website £59,209 (less exp in 17/18 to date); Vehicle Replacement £45,932	-£18,090	£72,907
322	Older People's Day Care Svce	£12,808		-£500	£12,308	£3,687 for increased transport costs	-£3,687	£8,621
323	Election Reserve	£0	£10,000	-£9,332	£668			£668
324	Building Maintenance Fund	£403,120	£103,538	-£23,815	£482,843	Grove House Outbuildings £30,000 (less exp in 17/18 to date)	-£11,633	£471,210
326	Mayoral Reserve	£3,000			£3,000	FGP 19.01.15-Minute 24 - to be retained for transport/allowance as required		£3,000
327	Priory House Exhibition	£1,549			£1,549	to be determined		£1,549
328	Priory Churchyard	£14,862	£5,000		£19,862	As determined by quinquennial report		£19,862
329	Events Reserve	£1,555			£1,555	To be determined		£1,555
330	Town Twinning Reserve	£6,367	£500		£6,867	Retained for twinning activities to be determined		£6,867
331	Tree Reserve	£25,234	£5,000	-£2,550	£27,684	Agreed programme of tree works	-£3,370	£24,314
332	Parks & Play Improvement Plan	£20,867	£15,000		£35,867	To be determined		£35,867
338	Allotments Reserve	£18,430	£5,000	-£1,682	£21,748	Programme of works agreed GES Cttee March 14 £10,000 less exp (14/15 £1,570 and 17/18 to date £1,682)	-£6,748	£15,000
339	Creasey Park 3G Pitch	£5,160	£212		£5,372	Interest accrued on ringfenced deposit - retained for contribution towards future pitch replacement - with 381 below		£5,372
341	NEW Splash Park Reserve	£0	£10,000	-£1,467	£8,533			£8,533
	Earmarked Reserves Total	£699,924			£779,200		-£43,919	£735,281

S106/External Funding - Expenditure specified by funding body

380	Developers Contributions- CAP	£38,750			£38,750	Frenchs Avenue S106 £34,464; Frenchs Avenue Fencing £4,286		£38,750
381	CPCFC Capital	£88,491			£88,491	Retained for future repair/replacement of All Weather Pitch		£88,491
385	Development Contributions- REV	£53,293		-£18,037	£35,257	Priory Gardens Footpaths £647 (less exp in 16/17 £277); Willoughy £47,645 (less exp in 17/18 £17,516 & £8,000 committed in 17/18 rev budget); Court Drive Landscaping £5,623 (less exp in 16/17 £345 and 17/18 to date £521);	-£13,127	£22,129
389	Deferred Grants Unapplied	£108,534		-£83,533	£25,001	£25,000 To be returned to CBC (ref GH Gdns Highways Works)	-£25,000	£1
570	Joint Committee Fund	£18,979	-£19,997	£17,731	£16,714	Expenditure determined by Joint Cttee	-£16,714	£0
	S106/External Funding Total	£308,047			£204,212		-£54,841	£149,371
		£1,007,971			£983,412		-£98,760	£884,652

Dunstable Town Council

Internal Audit Report 2017-18: Interim update

Adrian Shepherd - Roberts

For Auditing Solutions Ltd

Background

All town and parish councils are required by statute to make arrangements for an independent internal audit examination of their accounting records and system of internal control and for the conclusions to be reported each year in the Annual Return. Auditing Solutions Ltd has provided this service to Dunstable Town Council since 2009.

This report sets out the work undertaken in relation to the 2017-18 financial year, during our visit on 24th and 25th October 2017 and 28th February 2018, together with the matters arising and recommendations for action, where appropriate.

Internal Audit Approach

In undertaking our review for the year to date, we have had regard to the materiality of transactions and their susceptibility to potential mis-recording or misrepresentation in the year-end Statement of Accounts/Annual Return. We have employed a combination of selective sampling techniques (where appropriate) and 100% detailed checks in a number of key areas in order to gain sufficient assurance that the Council's financial and regulatory systems and controls are appropriate and fit for the purposes intended.

Our programme of cover has been 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 'Annual Internal Audit Report' in the Council's Annual Return, which requires independent assurance over a number of internal control objectives.

Overall Conclusion

We are pleased to conclude that, in the areas examined to date, the Council continues to have effective systems in place that should help ensure that the detailed annual Statement of Accounts and Annual Return detail, as prepared by an external contractor, are free from material misstatement.

This report has been prepared for the sole use of Dunstable Town Council. To the fullest extent permitted by law, no responsibility or liability is accepted by Auditing Solutions Ltd to any third party who purports to use or rely, for any reason whatsoever, on this report, its contents or conclusions.

Detailed Report

Review of Accounting Arrangements & Bank Reconciliations

Our objective here is to ensure that the accounting records are being maintained accurately and currently and that no anomalous entries appear in cashbooks or financial ledgers. To that end, we have: -

- Ensured that the financial ledger remains in balance at the present date;
- Ensured that the closing balances reported in the Statement of Accounts and certified Annual Return for 2016-17 have been correctly rolled forward as opening Omega balances for the current year;
- Checked to ensure that a comprehensive, meaningful and appropriate nominal coding schedule, together with cost centres remains in place;
- Checked and agreed transactions in the Council's main Current and Reserve account cashbooks to the relevant NatWest bank account statements for April and September 2017 and January 2018; and
- Checked detail on all active bank account reconciliations as at 30th April and 30th September 2017 and 31st January 2018 to ensure that no long-standing uncleared cheques or other anomalous entries exist and we can confirm that no such items have been identified.

Conclusions

We are pleased to report that no significant issues have been identified in this area of our review. We will undertake further work in this area at future visits, to ensure the accurate disclosure of year-end balances in the detailed Statement of Accounts and Annual Return.

Review of Corporate Governance

Our objective is to ensure that the Council has robust corporate governance documentation and processes in place; that Council and Committee meetings are conducted in accordance with the adopted Standing Orders and that, as far as we are able to ascertain, no actions of a potentially unlawful nature have been or are being considered for implementation. We have: -

- Continued our review of the minutes of the Full Council and all Standing Committee meetings (with the exception of the Planning Sub Committee) to the present date to ensure that no issues affecting the Council's financial stability either in the short, medium or long term exist, also that no legal issues are in existence whereby the Council may either be considering or have taken decisions that might result in ultra vires expenditure being incurred; and
- Noted that the Council's extant Financial Regulations and Standing Orders were readopted in June 2016 by Finance and General Purposes Committee.

Conclusions

We are pleased to report that no issues have been identified in this area warranting further comment. We will undertake further work in this area at future visits.

Review of Expenditure

Our aim here is to ensure that: -

- Council resources are released in accordance with the Council's approved procedures and budgets;
- Payments are supported by appropriate documentation, 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;
- An official order has been raised for all purchases and service delivery where one would be expected;
- 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 have continued our review of expenditure selecting a total sample of 27 payments including those individually in excess of £5,000 plus a more random selection of each 60th cashbook transaction, irrespective of value, for the year to 31st January 2018 for compliance with the above criteria which totals £801,941 and equates to 40% of non-pay related payments.

Conclusions

No issues warranting formal recommendation have been identified from testing completed in this area, with all appropriate criteria duly met. We will undertake further work in this area at future visits including the year end VAT return which will be an accrual in the year end accounts.

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 in order to minimise the opportunity for their coming to fruition. We note that: -

- Full Council reviewed and adopted its Corporate Governance Arrangements in June 2017, including those relating to Financial Risk Control; and
- The Council's primary insurance cover continues to be provided by Zurich and we have examined the schedule for the current year (to 31st March 2018) to ensure that appropriate cover is in place. Both Employer's and Public Liability stand at £10

million, Fidelity Guarantee cover at £2.5 million with Loss of Revenue / Business Interruption cover also in place at £285,000, all of which we consider adequately meets the needs of the Council at present.

Conclusions

No matters have been identified in this area at present warranting formal comment or recommendation.

Budgetary Control and Reserves

In this area of review, we are seeking to confirm that the Council has determined its annual budget based on sound assumptions of intended spending, that sufficient funds are available to meet future spending plans and that members are kept aware of actual budgetary performance during the course of the financial year. We also seek to assess the adequacy of retained reserves, be they in respect of specific earmarked funds or the General Fund.

We have noted that consideration of the budget and precept for 2018-19 was approved on 6 February 2018 by Full Council with the precept to be adopted at £2,219,034.

We are also pleased to note that members continue to receive regular budget monitoring reports with over/under-spends and the level of earmarked reserves the subject of regular review.

Conclusion

No issues arise in this area warranting formal comment. We will undertake further work in this area at our final visit for this financial year.

Review of Income

The Council continues to receive income from a wide variety of sources including the Allotments, Cemetery, Creasey Park, Markets, Priory House, Day Centre and Bank and deposit interest, etc.

In this area of our review process, we aim to ensure that all income due to the Council is identified, invoiced (where applicable) and recovered at the appropriate rate and within a reasonable time scale; also that it is banked promptly in accordance with the Council's Financial Regulations.

At this interim update visit we have reviewed the management controls and office procedures for the accounting and banking of the fees from Priory House, Creasey Park and the Cemetery. We have been advised that there is to be a review of the procedures for all the income generating areas. This is being implemented due to a reported discrepancy in the cash deposited at the bank from the Creasey Park operation. We have discussed the issues with the Head of Finance & Support Services and reviewed the proposed recommendations.

We have also reviewed the Sales Ledger, as at the 31st January 2018 and are pleased to report that no significant or long-standing debts are in existence.

We have also reviewed the fees and charges applied to the Cemetery and Creasey Park in accordance with the requirements of the approved Financial Regulations.

Conclusions

We will undertake further work in this area at our final visit for this financial year.

Petty Cash Account

We are required, as part of the internal audit certification process on the Council's Annual Return to consider and comment upon the controls in place over the operation of petty cash accounts at the Council. Our aim in this area is therefore to ensure that appropriate controls are in place; that expenditure incurred is adequately supported by trade invoices or till receipts; that the expenditure is appropriate for the Council's requirements; that VAT has been separately identified for periodic recovery and that cheque reimbursements from the main cashbooks are properly recorded.

Petty cash accounts are operated at a number of locations: we have at this interim visit examined the procedures in place for the main petty cash account holding at Grove House, which is effectively operated on an Imprest basis with a float of £150. We have examined the relevant records comprising a hand written daily ledger with a separate cashbook in the accounting software. Our test sample covered transactions for the period from 1st September to 25th October 2017 and are pleased to report that all were appropriately supported by a copy invoice or till receipt. We have also verified the physical cash holding with no issues arising.

We have also undertaken a further sample check of Fuel Card and Credit Card payments and processes, examining the relevant statements and subsequent repayments by direct debit to 31st January 2018.

Conclusions

We are pleased to report that no significant issues have been identified in this area of our review.

Salaries and Wages

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 HM Revenue and Customs (HMRC) legislation as regards the deduction and payment over of income tax and NI contributions, together with meeting the requirements of the local government pension scheme, as further revised from 1st April 2017 in relation to employee percentage bandings.

To meet that objective, we have examined the payroll procedures in place and the computations undertaken for the payments to staff in 2017-18 by reference to the September 2017 payroll documentation produced by the Council's bureau provider (Payroll Options Ltd

in Milton Keynes). We have, at this visit, completed our review to include coverage in the following areas:

- Ensuring that the Council had applied the approved employee pay rates for the financial year;
- Checking to ensure that appropriate PAYE tax codes are being applied in 2017-18, following the government's budgetary changes effective from April 2017 and that tax is being deducted appropriately for a sample of employees;
- Checking to ensure that the correct national insurance deduction tables were being utilised dependent on whether the employee contributes to the pension scheme or not, similarly examining and agreeing detail of the employee's NI deduction; and
- Ensured that Tax and NIC deductions in respect of employer's contributions have been calculated appropriately and been paid over to HMRC in an accurate and timely manner.

Conclusions

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

Investments and Loans

Our objectives here are to ensure that the Council is "investing" surplus funds, be they held temporarily or on a longer term basis in appropriate banking and investment institutions, that an appropriate investment policy is in place and that the Council is obtaining the best rate of return on any such investments made and that interest earned is brought to account correctly and appropriately in the accounting records.

- As indicated in the first section of this report, we have reviewed and agreed detail of transactions on all accounts holding surplus funds for the year to date;
- We have examined the bank statements of Reserve account for the year to date, together with the CCLA Public Sector Deposit Fund; and
- We have checked and agreed the two half-yearly PWLB loan instalment repayments made in 2017 to the PWLB third party "notification / demand" notice as part of our above expenditure review.

Conclusions

We are pleased to record that no issues arise in this area currently: we shall continue to monitor transactions on accounts holding the Council's "surplus" cash funds and we will also ensure the accurate disclosure of the year-end balance and residual loan liability due to PWLB as at 31st March 2018.

FINANCE AND GENERAL PURPOSES COMMITTEE

MONDAY 19 MARCH 2018

UPDATE ON CORPORATE PLAN CAPITAL PROGRAMME

INFORMATION REPORT

Purpose of report: - To update members on delivery of the agreed Corporate Plan Capital Programme
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1. INTRODUCTION

- 1.1 Members will recall that at the November meeting of the Finance and General Purposes Committee, the Council agreed the capital programme submitted at appendix 1 of this report (with updated comments section).
- 1.2 However, because of the Council decision not to increase the Town Council element of the Dunstable council tax for 2018/19, the full programme can no longer be delivered as a result of there being insufficient revenue funding available for 2018/19 to take out the agreed loan of £150,000 from the Public Works Loans Board (PWLB).
- 1.3 The programme given at appendix 1 advises members of the element of the programme that will no longer go ahead.

2. FINANCIAL IMPLICATIONS

- 2.1 The element of the programme advised to still go ahead will be funded by a £100,000 contribution from the General Reserve as already agreed.

3. AUTHOR

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DUNSTABLE TOWN COUNCIL
2018/19 CORPORATE PLAN CAPITAL PROGRAMME

Projects	Lead Officer	Timescale	Budget	Corporate Plan Priority	Comments
1. Carry out the renovation of the Dunstable War Memorial	Head of Grounds and Environmental Services	Work to be completed by end of May 2018	Up to £50,000 (£10,000 from capital programme)	Continuing to preserve and enhance the history and identity of the town	This project will be funded from the General Reserve and any contribution to be made from the FoPHaG Crowd Funding campaign
2. Refurbish Grove House Gardens stores for the housing of Grounds and Ranger equipment	Head of Grounds and Environmental Services	Work to be specified and commissioned by end of March 2018	£30,000	Continuing to improve the organisational management and efficiency of the Town Council and to further improve and develop the provision of green and open space in the town	This project has been completed on budget
3. Convert the existing old Grove House public toilets into a bespoke store for events and community programmes equipment	Head of Community Services	Work to be specified and completed by April 2018	£30,000	Continuing to improve the organisational management and efficiency of the Town Council	This is an improvement that is required to comply with latest health and safety advice particularly relating to manual handling issues. The specification for this work is being developed and will soon be going out to tender
4. Carry out improvements to the entrance to Grove House Gardens to create better access and improved car parking	Head of Grounds and Environmental Services	Work to be specified and commissioned by end of June 2018	£25,000	Further improve and develop the provision of green and open space in the town	It is proposed that this project be progressed in order to complete the Grove House and Gardens improvement programme
TOTAL					
				£95,000 (+ £5,000 contingency) £100,000	

5. Carry out complete refurbishment of Ashton Square Clock	Head of Grounds and Environmental Services	Work to be specified and commissioned by end of May 2018	£15,000	Continuing to preserve and enhance the history and identity of the town	It will not be possible to progress this project at the moment
6. Improve depot facilities at Dunstable Cemetery, create improved parking for Catchacre allotments and improve main cemetery car park and entrance	Head of Grounds and Environmental Services	Work to be specified by end of January 2018 and commissioned after April 2018	£140,000	To further improve and develop the provision of green and open space in the town	It will not be possible to progress this project at the moment