

Taunton Charter Trustees

Tuesday, 29th June, 2021,
6.00 pm

The John Meikle Room - The Deane House



Members: Sue Lees (Chair), Brenda Weston (Vice-Chair), Lee Baker, Chris Booth, Simon Coles, Caroline Ellis, Marcia Hill, Richard Lees, Libby Lisgo, Derek Perry, Martin Peters, Hazel Prior-Sankey, Francesca Smith, Federica Smith-Roberts, Alan Wedderkopp and Danny Wedderkopp

Agenda

1. Apologies

To receive any apologies for absence.

2. Minutes of the previous meeting of the Taunton Charter Trustees

To approve the minutes of the previous meeting of the Committee.

(Pages 5 - 8)

3. Declarations of Interest

To receive and note any declarations of disclosable pecuniary or prejudicial or personal interests in respect of any matters included on the agenda for consideration at this meeting.

(The personal interests of Councillors and Clerks of Somerset County Council, Town or Parish Councils and other Local Authorities will automatically be recorded in the minutes.)

4. Public Participation

The Chair to advise the Committee of any items on which members of the public have requested to speak and advise those members of the public present of the details of the Council's public participation scheme.

For those members of the public who have submitted any questions or statements, please note, a three minute time limit applies to each speaker and you will be asked to speak before Councillors debate the issue.

Temporary measures during the Coronavirus Pandemic

Due to the temporary legislation (within the Coronavirus Act 2020, which allowed for use of virtual meetings) coming to an end on 6 May 2021, the council's committee meetings will now take place in the office buildings within the John Meikle Meeting Room at the Deane House, Belvedere Road, Taunton. Unfortunately due to capacity requirements, the Chamber at West Somerset House is not able to be used at this current moment.

Following the Government guidance on measures to reduce the transmission of coronavirus (COVID-19), the council meeting rooms will have very limited capacity. With this in mind, we will only be allowing those members of the public who have registered to speak to attend the meetings in person in the office buildings, if they wish (we will still be offering to those members of the public that are not comfortable in attending, for their statements to be read out by a Governance and Democracy Case Manager). Please can we urge all members of the public who are only interested in listening to the debate to view our live webcasts from the safety of their own home to help prevent the transmission of coronavirus (COVID-19).

5. Petitions

To receive any petitions from residents of Taunton containing over 200 signatures in accordance with Standing Order 30.

6. Motions to the Charter Trustees

7. Communications

8. To answer questions under Standing Order 8

A Charter Trustee may ask the Mayor any question upon an item which is under consideration by the Charter Trustees. Every question shall be put and answered without discussion. The person to whom a question has been put may decline to answer but shall give an explanation for declining to do so. An answer may take the form of :-

1. A direct oral answer; or
2. Where the desired information is contained in a publication of the Charter Trustees, a reference to that publication; or
3. Where reply to the question cannot conveniently be given orally, a written answer circulated to Charter Trustees.

9. Annual Internal Audit Report 2020/21

Added to the Agenda on 25/06/21 - Under Access to Information Procedure Rules *"Where there are special*

(Pages 9 - 20)

circumstances requiring an item to be added to the agenda after publication, the revised agenda will be open to inspection from the time the item was added to the agenda.”

The purpose of this item is to receive and note the Annual Internal Audit Report 2020/21.

10. Annual Governance Statement 2020/2021

(Pages 21 - 22)

This item is to approve the Annual Governance Statement for submission to the Charter Trustee’s external Auditors, PKF Littlejohn LLP.

11. Accounting Statements 2020/21

(Pages 23 - 30)

This item is to approve the Draft Accounting Statements 2020/2021 for submission to the Charter Trustee’s external Auditors, PKF Littlejohn LLP.



**JAMES HASSETT
CHIEF EXECUTIVE**

Please note that this meeting will be recorded. At the start of the meeting the Chair will confirm if all or part of the meeting is being recorded. You should be aware that the Council is a Data Controller under the Data Protection Act 2018. Data collected during the recording will be retained in accordance with the Council's policy. Therefore unless you are advised otherwise, by entering the Council Chamber and speaking during Public Participation you are consenting to being recorded and to the possible use of the sound recording for access via the website or for training purposes. If you have any queries regarding this please contact the officer as detailed above.

Members of the public are welcome to attend the meeting and listen to the discussions. There is time set aside at the beginning of most meetings to allow the public to ask questions. Speaking under "Public Question Time" is limited to 3 minutes per person in an overall period of 15 minutes. The Committee Administrator will keep a close watch on the time and the Chair will be responsible for ensuring the time permitted does not overrun. The speaker will be allowed to address the Committee once only and will not be allowed to participate further in any debate. Except at meetings of Full Council, where public participation will be restricted to Public Question Time only, if a member of the public wishes to address the Committee on any matter appearing on the agenda, the Chair will normally permit this to occur when that item is reached and before the Councillors begin to debate the item.

If an item on the agenda is contentious, with a large number of people attending the meeting, a representative should be nominated to present the views of a group. These arrangements do not apply to exempt (confidential) items on the agenda where any members of the press or public present will be asked to leave the Committee Room. Full Council, Executive, and Committee agendas, reports and minutes are available on our website: www.somersetwestandtaunton.gov.uk

The meeting room, including the Council Chamber at The Deane House are on the first floor and are fully accessible. Lift access to The John Meikle Room, is available from the main ground floor entrance at The Deane House. The Council Chamber at West Somerset House is on the ground floor and is fully accessible via a public entrance door. Toilet facilities, with wheelchair access, are available across both locations. An induction loop operates at both The Deane House and West Somerset House to enhance sound for anyone wearing a hearing aid or using a transmitter. For further information about the meeting, please contact the Governance and Democracy Team via email: governance@somersetwestandtaunton.gov.uk

If you would like an agenda, a report or the minutes of a meeting translated into another language or into Braille, large print, audio tape or CD, please email: governance@somersetwestandtaunton.gov.uk

Taunton Charter Trustees - 25 May 2021

Present: Councillors Francesca Smith

Sue Lees, Lee Baker, Simon Coles, Caroline Ellis, Marcia Hill, Richard Lees, Libby Lisgo, Derek Perry, Hazel Prior-Sankey, Alan Wedderkopp, Danny Wedderkopp and Brenda Weston

Officers: Jo Comer and Marcus Prouse

(The meeting commenced at 6.00 pm)

1. **Election of Mayor of Taunton**

The Mayor opened the meeting, and invited her chaplain, Reverend Debbi Turley, to open the meeting with a short prayer.

Councillor Richard Lees proposed and Councillor Simon Coles seconded the following motion, which was carried unanimously.

RESOLVED:

"That Councillor Susan Lees be elected Mayor of Taunton for the ensuing year".

Councillor Susan Lees then repeated and signed the Declaration of Acceptance of Office.

The Mayor addressed the Charter Trustees and stated she had an ambition to be the best she can be, and to bring some cheer in what has been a difficult period.

2. **Deputy Mayor of Taunton**

Councillor Francesca Smith proposed and Councillor Lee Baker seconded the following motion, which was carried unanimously.

RESOLVED:

"That Councillor Brenda Weston be elected Deputy Mayor of Taunton for the ensuing year".

Councillor Brenda Weston then repeated and signed the Declaration of Acceptance of Office.

3. **Councillor Francesca Smith - A Councillor to propose and a Councillor to second:-**

Councillor Hazel Prior-Sankey proposed and Councillor Lee Baker seconded:-

"That the best thanks of the Charter Trustees be accorded to Councillor Francesca Smith for the manner in which she has discharged the duties of the office of Mayor of the Town during her two terms of office".

The motion was carried unanimously.

Councillor Smith replied and thanked the Charter Trustees for their kind words. It had been a wonderful two years to represent the Town as Mayor and an opportunity and privilege she would never forget. Being Taunton born and bred, she had thought she knew everything about the town, but she had been pleasantly surprised at all the work that is done by volunteers, charities, and businesses to raise funds, provide entertainment and the work that keeps the town vibrant and an interesting place to live. The Mayor had been fortunate to attend so many events, from opening shops and businesses to attending concerts, to switching on lights, both virtually and in person, it has been amazing.

4. **The Mayor will present to Councillor Smith her Past Mayor Badge.**

Unfortunately, due to delays due to Covid-19, the Past Mayor's Badge had not arrived in time. Councillor Smith was presented with a small token of appreciation of flowers by the Mayor who also presented Cllr Smith's consort with a gift.

5. **Apologies**

Apologies were received from Councillors Booth, Smith-Roberts and Peters.

6. **Minutes of the previous meeting of the Taunton Charter Trustees**

(Minutes of the meeting of the Taunton Charter Trustees held on 16th March 2021 were circulated with the agenda)

RESOLVED that the minutes of the Taunton Charter Trustees held on 16th March 2021 were confirmed as a correct record.

7. **Declarations of Interest**

Members present at the meeting declared the following personal interests in their capacity as a Councillor or Clerk of a County, Town or Parish Council or any other Local Authority:-

Name	Minute No.	Description of Interest	Reason	Action Taken
Cllr L Baker	All Items	Cheddon Fitzpaine & SWT	Personal	Spoke and Voted
Cllr C Booth	All Items	Wellington and SWT	Personal	Spoke and Voted
Cllr S Coles	All Items	SCC & SWT	Personal	Spoke and Voted
Cllr C Ellis	All Items	SWT	Personal	Spoke and Voted

Cllr Mrs Hill	All Items	SWT	Personal	Spoke and Voted
Cllr R Lees	All Items	SWT	Personal	Spoke and Voted
Cllr S Lees	All Items	SWT	Personal	Spoke and Voted
Cllr L Lisgo	All Items	SWT	Personal	Spoke and Voted
Cllr M Peters	All Items	SWT	Personal	Spoke and Voted
Cllr D Perry	All Items	SWT	Personal	Spoke and Voted
Cllr H Prior-Sankey	All Items	SCC & SWT	Personal	Spoke and Voted
Cllr F Smith	All Items	SWT	Personal	Spoke and Voted
Cllr F Smith-Roberts	All Items	SWT	Personal	Spoke and Voted
Cllr A Wedderkopp	All Items	SCC & SWT	Personal	Spoke and Voted
Cllr D Wedderkopp	All Items	SWT	Personal	Spoke and Voted
Cllr B Weston	All Items	SWT	Personal	Spoke and Voted

8. **To receive any questions or statements from residents of Taunton in accordance with Standing Order 30**

The Clerk advised the Mayor that no members of the public had requested to speak.

9. **Appointment of Members of the Standing Committee 2021/2022**

The purpose of the item was to appoint Charter Trustees, from nominations received from each group, to serve on the Standing Committee for the year 2020/2021. The proposed 'Powers and Duties' of the Standing Committee were set out in the attached document to the Agenda.

If the Committee allocated politically proportionally as per the Standing Orders there would be 6 Liberal Democrats and 1 Labour seat, though it was always within the gift of the political groups as to whether they took up their full entitlement.

RESOLVED that the following Councillors were appointed to the Standing Committee of the Taunton Charter Trustees for 2021/2022;

- Councillor Chris Booth
- Councillor Simon Coles
- Councillor Sue Lees
- Councillor Libby Lisgo
- Councillor Derek Perry
- Councillor Martin Peters
- Councillor Alan Wedderkopp

10. **Any items which the Mayor considers to be Urgent Business**

The Mayor advised that there were no items of urgent business to consider.

11. **An intercessional Prayer will be offered by the new Mayor's Chaplain at the conclusion of the meeting.**

Reverend James Clapham, the new Mayor's Chaplain, offered an intercessional Prayer.

(The Meeting ended at 6.45 pm)

Annual Internal Audit Report 2020/21

The Charter Trustees of Taunton

democracy.somersetwestandtaunton.gov.uk/mgCommitteeDetails.aspx?ID=405

During the financial year ended 31 March 2021, 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 2020/21 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 2019/20, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2019/20 AGAR tick "not covered")</i>			✓
L. If the authority has an annual turnover not exceeding £25,000, it publishes information on a website/webpage up to date at the time of the internal audit in accordance with the Transparency code for smaller authorities.			✓
M. The authority, during the previous year (2019-20) 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 2019/20 AGAR <i>(see AGAR Page 1 Guidance Notes)</i> .	✓		

O. (For local councils only)	Yes	No	Not applicable
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).

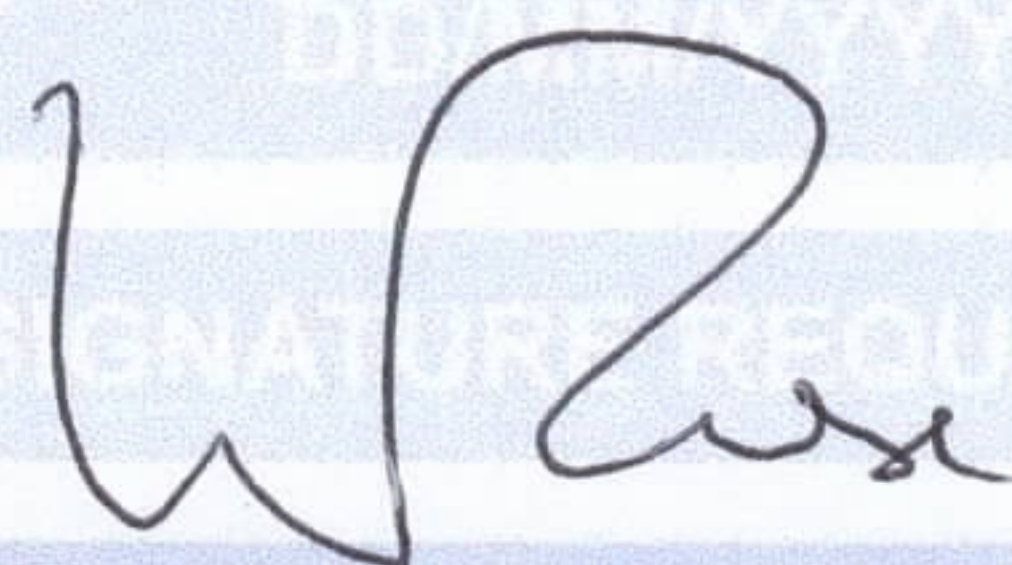
Date(s) internal audit undertaken

N/A

Name of person who carried out the internal audit

Kevin Rose ACMA - IAC Audit & Consultancy Ltd

Signature of person who carried out the internal audit



Date 25/06/2021

*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).

Marcus Prouse
Charter Trustees for Taunton
% Somerset West and Taunton Council
The Deane House
Belvedere Road
Taunton
TA1 1HE

25th June 2021

Dear Marcus,

Further to my Internal Audit of the Charter Trustees in respect of the 2021 Annual Return, I am submitting my report and observations to the Trustees. As you will notice from the attached Internal Audit Report it was unfortunately necessary to issue a negative response in respect of Control Objective C;

Control Objective C

“This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.”

Reason for the negative response Control Objective C

The Practitioners Guide sets out that a Smaller Authority “..needs to identify, assess and record risks..” and that “Having identified, assessed and recorded the risks, the authority needs to address them by ensuring that appropriate measures are in place to mitigate and manage risk.”

The normal practice by which a Smaller Authority will meet the requirements of the Practitioners Guide is for the Trustees to maintain a risk register and for this register to be subject to review by Trustees on an annual basis.

From the records available, there is no evidence that the Trustees have undertaken such a review.

Implications in respect of the Annual Return

As previously advised it will be necessary for a negative response to be entered on the Internal Audit Report. In addition, the Trustees will also have to return a negative response in respect of Assertion 5 of the Annual Governance Statement.

It is highly likely that this issue will be subject to further query by the External Auditor and it would be helpful in that regard if the Trustees were to properly Minute a discussion of a review of this issue and to include an explanatory letter when submitting the Annual Return.

The Trustees will also need to consider what response they will give in respect of Assertion 6 of the Annual Governance Statement in respect of the failure to appoint an internal auditor during the 2020-21 financial year.

In addition to the Negative Response on the Internal Audit Report we have also responded 'Not Covered' in respect of the Control Objectives F, I, K, L and O and we are required to explain why we have done this.

- We have responded 'Not Covered' in response to Objective F as we understand that the Trustees do not maintain a Petty Cash.
- We have responded 'Not Covered' in response to Objective F as we understand that the Trustees do not maintain a bank account.
- We have responded 'Not Covered' in response to Objective K is that it is not applicable as you did not certify yourself as exempt from External Audit.
- We have responded 'Not Covered' in response to Objective L is that it is not applicable as your 'annual turnover' exceeds £25,000.
- We have responded 'Not Covered' in response to Objective O as we understand that the Trustees do not act as Sole Managing Trustee.

In addition to this letter and the statutory Internal Audit Report I have also submitted our Internal Audit Observations and Summary to you by email. I would be grateful if you could bring all of these to the Trustees attention in due course.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'K. Rose'.

Kevin Rose ACMA
Director

Client	Taunton Charter Trustees Charter Trustees	
Clerk:	c/o Marcus Prouse	
	Name	Date
Prior Year Audit Signed	N/A	
Pre Audit	Kevin Rose	24 June 2021
Year End Auditor 1		
Year End Auditor 2	Kevin Rose	25 June 2021
Reviewed by		

Internal Audit Summary

Financial Year 2020-21

Year End Audit



Complete
No
Yes
No
Yes
No

Negative Analysis

Annual Return – Compliance with Requirements		Not checked	Not applicable	Positive	Negative	Statutory Non-Compliance	High	Medium	Low
Box A	Appropriate accounting records have been kept properly throughout the year.	1	0	4	0	0	0	0	0
	Accounting system	0	0	2	0	0	0	0	0
	Record keeping	0	0	2	0	0	0	0	0
	Minutes	1	0	0	0	0	0	0	0
	Other		0	0	0	0	0	0	0
Box B	This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	6	29	1	4	0	3	1	0
	Financial Regulations & Standing Orders	6	2	1	2	0	1	1	0
	RFO	0	1	0	2	0	2	0	0
	Powers	0	3	0	0	0	0	0	0
	Payment Controls	0	12	0	0	0	0	0	0
	Expenditure Controls	0	1	0	0	0	0	0	0
	VAT Compliance	0	2	0	0	0	0	0	0
	Loan Payments	0	1	0	0	0	0	0	0
	Procurement Controls	0	4	0	0	0	0	0	0
	Grants	0	3	0	0	0	0	0	0
	Other		0	0	0	0	0	0	0
Box C	This smaller authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	3	1	2	2	1	1	0	0
	Risk	1	0	0	2	1	1	0	0
	Minutes	0	0	1	0	0	0	0	0
	Insurance	0	1	1	0	0	0	0	0
	Internal Controls	2	0	0	0	0	0	0	0
	Other		0	0	0	0	0	0	0

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Annual Return – Compliance with Requirements		Not checked	Not applicable	Positive	Negative	Statutory Non-Compliance	High	Medium	Low
Box D	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	2	5	11	4	0	3	1	0
	Budget & Precept setting	0	0	4	1	0	1	0	0
	Annual Return	1	0	4	0	0	0	0	0
	Auditors Reports	1	2	2	1	0	1	0	0
	Accounting Statements	0	1	0	1	0	1	0	0
	Budget monitoring	0	0	1	0	0	0	0	0
	Reserves	0	2	0	1	0	0	1	0
	Other		0	0	0	0	0	0	0
Box E	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	0	18	3	1	0	1	0	0
	Investments	0	3	0	0	0	0	0	0
	Fees & Charges	0	2	0	0	0	0	0	0
	Leases	0	2	0	0	0	0	0	0
	Debt control	0	3	0	0	0	0	0	0
	Billing & Collection	0	3	0	0	0	0	0	0
	Precept	0	0	1	0	0	0	0	0
	Cash income	0	3	0	0	0	0	0	0
	VAT Compliance	0	2	2	1	0	1	0	0
	Other		0	0	0	0	0	0	0
Box F	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	0	9	0	0	0	0	0	0
Box 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.	0	10	5	2	0	2	0	0
	Contracts	0	3	0	0	0	0	0	0
	PAYE	0	4	0	0	0	0	0	0
	Deductions	0	1	0	0	0	0	0	0
	Pension	0	1	0	0	0	0	0	0
	Members Allowances	0	0	5	1	0	1	0	0
	Accounting	0	1	0	1	0	1	0	0
	Other		0	0	0	0	0	0	0
Box H	Asset and investments registers were complete and accurate and properly maintained.	2	5	0	1	0	1	0	0
	Asset Register	0	1	0	1	0	1	0	0
	Additions & Disposals	0	2	0	0	0	0	0	0
	Verification	1	0	0	0	0	0	0	0
	Accounting	1	0	0	0	0	0	0	0
	Investments	0	2	0	0	0	0	0	0
	Other		0	0	0	0	0	0	0
Box I	Periodic and year-end bank account reconciliations were properly carried out.	0	6	0	2	0	2	0	0
	Preparation	0	0	0	1	0	1	0	0
	Review	0	4	0	0	0	0	0	0
	Cash balances	0	2	0	0	0	0	0	0
	Accounting	0	0	0	1	0	1	0	0
	Other		0	0	0	0	0	0	0

Annual Return – Compliance with Requirements		Not checked	Not applicable	Positive	Negative	Statutory Non-Compliance	High	Medium	Low
Box 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.	0	5	0	3	0	3	0	0
	Accounting basis	0	0	0	1	0	1	0	0
	Prior year	0	1	0	0	0	0	0	0
	Current Year	0	2	0	1	0	1	0	0
	Non-current liabilities	0	1	0	0	0	0	0	0
	Accounting Statements	0	0	0	1	0	1	0	0
	Stocks	0	1	0	0	0	0	0	0
	Other		0	0	0	0	0	0	0
Box K	IF the authority certified itself as exempt from a limited assurance review in 2019/20, it met the exemption criteria and correctly declared itself exempt.	0	2	0	0	0	0	0	0
Box L	The authority publishes information on a website/webpage, up to date at the time of the internal audit, in accordance with the Transparency code for smaller authorities.								
Box M	During summer 2020 this authority has correctly provided the proper opportunity for the exercise of public rights in accordance with the requirements of the Accounts and Audit Regulations.	0	0	3	1	1	0	0	0
Box N	The authority has complied with the publication requirements for 2019/20 AGAR (see AGAR Page 1 Guidance Notes).								
Box O	Trust funds (including charitable) – The Charter Trustees met its responsibilities as a trustee.	0	9	0	0	0	0	0	0
	Meetings	0	2	0	0	0	0	0	0
	Accounting	0	2	0	0	0	0	0	0
	Statutory Returns	0	1	0	0	0	0	0	0
	Other		4	0	0	0	0	0	0
Total		14	99	29	20	2	16	2	0

Taunton Charter Trustees Charter Trustees

Financial Year 2020-21



Visit date: 25 June 2021

Year End Internal Audit Observations

Box B *This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.*

No.	Audit Conclusion	Observation	Recommendation	Priority	Comments
1	The Charter Trustees do not maintain a formal set of Financial Regulations.	<i>It appears that the Trustees do not maintain a formal set of Financial Regulations</i>	The Charter Trustees should introduce a formal set of Financial Regulations. The Charter Trustees may wish to adopt the Model Financial Regulations published by NALC, a copy of which has been provided to the Clerk.	High	
2	The Charter Trustees has not formally appointed a Responsible Financial Officer (RFO)	<i>From a review of Minutes it is unclear whether the Trustees have formally appointed a Clerk/RFO.</i>	The Charter Trustees must formally appoint someone to act in the role of Responsible Financial Officer	High	

Box C *This smaller authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.*

No.	Audit Conclusion	Observation	Recommendation	Priority	Comments
1	It was not possible to obtain Minute reference of the Charter Trustees review of Risk	<i>From a review of Minutes it was not possible verify that the Charter Trustees have undertaken a review of Risk.</i>	The Charter Trustees must ensure that it Minutes a formal review of Risk on an annual basis. The Charter Trustees should consider what response it may give in respect of Assertion 5 of the Annual Governance Statement.	Non Compliance	

Box D The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.

No.	Audit Conclusion	Observation	Recommendation	Priority	Comments
1	From a review of the records it was not possible to determine when the Charter Trustees had formally approved the budget for the year.	<i>The Charter Trustees set the precept at a meeting held on 23rd January 2020. The Minutes of the meeting do not record the formal approval of a budget prior to setting the precept.</i>	The Charter Trustees, as a body, must ensure that it formally approves a budget, prior to setting the precept.	High	
2	The Charter Trustees has not formally minuted consideration of the points raised by the Internal Auditor in their report.	<i>The Charter Trustees did not appoint an Internal Auditor for 2019/20 - this was raised as an issue by the External Auditor.</i>	The Charter Trustees should consider what response it should give in respect of Assertion 6 of the Annual Governance Statement	High	
3	It was not possible to agree Year End trial balance to the Annual Return	<i>It was noted that the draft Accounting Statements for 2020-21 contain a number of errors. The comparative 2019-20 Box 7 (£0) number does not agree to the Box 3 value (£132,936) minus Box 6 (£63,500). As a consequence the Box 1 number for 2020-21 is also not correct.</i>	The Charter Trustees must review the draft Accounting Statements and ensure that they agree to the underlying accounting records.	High	
4	Charter Trustees has not reviewed the level of Reserves	<i>The draft accounting statements for 2020-21 state closing reserves of £8,676. Under Receipts and Payments this balance is not correct (the Charter Trustees do not have any cash balances). Under Income and Expenditure it appears that the Trustees Reserves should be stated as £78,112 (being the surplus from 2020 and 2021). Under either method of accounting the Box 7 value stated for 2021 is not correct.</i>	The Trustees to review the level of Reserves of the Charter Trust and agree them to the value stated in the Accounting Statements	Medium	

Box E Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.

No.	Audit Conclusion	Observation	Recommendation	Priority	Comments
1	VAT has not been promptly reclaimed	<p><i>As Charter Trustees is not possible for the Trustees to recover VAT under the provisions of Section 33 of the VAT Act 1994.</i></p> <p><i>It was noted that in budget papers considered by the Trustees the cost of staffing support was stated at costs net of the VAT that is charged by the District Council which is an additional non-recoverable cost. As a consequence the actual costs of service provision by the District Council was significantly understated in comparison to the cost of directly employing staff.</i></p>	The Charter Trustees must ensure that the cost of non-recoverable VAT is considered when reviewing and approving items of expenditure.	High	

Box 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.

No.	Audit Conclusion	Observation	Recommendation	Priority	Comments
1	The Charter Trustees has not published the details of Members Allowances paid in accordance with Regulation 15 of Members Allowances Regulations 2003	<i>The Charter Trustees have paid allowances to the Mayor and the Deputy Mayor. It is not clear that the Trustees have published details of these allowances in accordance with the Members Allowances Regulations 2003</i>	The Charter Trustees MUST publish the details of Members Allowances paid in accordance with Regulation 15 of Members Allowances Regulations 2003	High	
2	The value stated in Box 4 could not be agreed to a schedule of Staff Costs	<i>The Charter Trustees do not employ any staff, admin support services are provided by the District Council, however the draft accounting statements for 2021 disclose a cost of £34,614 in Box 4 - Staff Costs. These costs should be included in Box 6 Other Costs.</i>	The Charter Trustees to review the value stated in Box 4 of the Annual Return and, if appropriate, amend it.	High	

Box H Asset and investments registers were complete and accurate and properly maintained.

No.	Audit Conclusion	Observation	Recommendation	Priority	Comments
1	The Charter Trustees has not reviewed the asset register during the financial year.	<i>The draft Accounting Statements state a Fixed Assets value of £142,958 which, it is understood, relates to the value of Civic Regalia. From a review of Minutes it was not possible to verify that the Charter Trustees have carried out a physical verification of assets held during the year.</i>	The Charter Trustees should undertake a formal review of the asset register on an annual basis. Due to the value of the items held a physical verification of the assets should also be undertaken.	High	

Box I Periodic and year-end bank account reconciliations were properly carried out.

No.	Audit Conclusion	Observation	Recommendation	Priority	Comments
1	A reconciliation was not available for each bank account.	<i>It is understood that the Trustees do not maintain a bank account and that all funds are held with the District Charter Trustees</i>	Charter Trustees to note that there is not currently a bank account in operation. The Trustees to consider whether a separate bank account should be established for the Charter Trustees.	High	
2	The year end bank reconciliation does not agree to Box 8 of the Accounting Statements	<i>The draft Accounting Statements for 2020-21 state a Box 8 bank balance of £,8,676 however it is understood that the Trustees do not have any bank account or cash balances.</i>	The Trustees to note that the Box 8 value stated for 2020-21 is not correct and should be stated at zero.	High	

Box 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.

No.	Audit Conclusion	Observation	Recommendation	Priority	Comments
1	The Charter Trustees do not report on an appropriate accounting basis	<i>It was noted that for 2019/20 the Charter Trustees reported on a Receipts and Payments basis where Box 7 Reserves must equal Box 8 Cash and Bank (there were no debtors and creditors recorded). This is permitted where income and expenditure is less the £200,000 per year.</i> <i>It was noted that the Trustees do not, in fact, maintain any bank account (see above) and under Receipts and Payments accounting the balance in Box 8 should be stated as Nil.</i> <i>Given that all the funds of the Trustees are, in fact, held by the District Council the use of Receipts and Payments accounting does not correctly reflect the financial position of the Trustees.</i>	The Trustees should review the method of accounting for statutory reporting purposes. As the Trustees surplus is currently held with the District Council, and the District Council is therefore a debtor to the Trustees, it would be more appropriate for the Trustees to report on an Income and Expenditure basis (this is also permitted).	High	
2	Year end balances on debtor accounts do not agree to subsequent receipts.	<i>It is understood that the Charter Trustees funds are all held with the District Council and these represent a debtor balance due to the Charter Trustees</i>	Charter Trustees to review year end debtor balances and obtain a confirmation of this balance from the District Council.	High	
3	It was not possible to agree the draft accounting statements to the draft values in the Annual Accounting Statements	<i>It was not possible to agree the draft Accounting Statements to the accounting records provided</i>	Charter Trustees to review the draft accounting statement values and agree them to the year end trial balance	High	

Section 1 – Annual Governance Statement 2020/21

We acknowledge as the members of:

THE CHARTER TRUSTEES FOR TAUNTON

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 2021, 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:

29/06/2021

and recorded as minute reference:

MINUTE REFERENCE N/A

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

Chairman

SIGNATURE REQUIRED

Clerk

SIGNATURE REQUIRED

MR

Somersetwestandtaunton.gov.uk/year-council/charter-trustees/

Section 2 – Accounting Statements 2020/21 for

THE CHARTER TRUSTEES FOR TAUNTON

	Year ending		Notes and guidance
	31 March 2020 £	31 March 2021 £	
1. Balances brought forward	0	0*	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	0	51,145	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	1320,936	0	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	0	34,614	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.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	63,500	7,855	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	0*	8,676	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	0*	8,676	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	142,958	142,958	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.
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, as a body corporate, 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 2021 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

NR

Date

18/06/21

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

**CONFIRMATION OF THE DATES OF THE PERIOD FOR THE
EXERCISE OF PUBLIC RIGHTS**

Name of smaller authority: CHARTER TRUSTEES FOR TAUNTON

County Area (local councils and parish meetings only): _____

On behalf of the smaller authority, I confirm that the dates set for the period for the exercise of public rights are as follows:

Commencing on 30/06/2021

and ending on 10/08/2021

(Please enter the dates set by the smaller authority as appropriate which must be 30 working days (i.e. Monday – Friday only, and not Bank Holidays) inclusive and must include the first 10 working days of July 2021 (i.e. Thursday 1 July – Wednesday 14 July).

We have suggested the following dates: Monday 14 June – Friday 23 July 2021. The latest possible dates that comply with the statutory requirements are Thursday 1 July – Wednesday 11 August 2021.)

Signed: 

Role: Marcus Prouse - Specialist - Democracy and Governance

This form is only for use by smaller authorities subject to a review:

Please submit this form to PKF Littlejohn LLP with the AGAR Part 3 and other requested documentation – this form is not for publication on your website.

Bank reconciliation – pro forma

This reconciliation should include **all** bank and building society accounts, including short term investment accounts. It **must** agree to Box 8 in the column headed “Year ending 31 March 20xx” in Section 2 of the AGAR – and will also agree to Box 7 where the accounts are prepared on a receipts and payments basis. Please complete the highlighted boxes, remembering that unpresented cheques should be entered as negative figures.

Name of smaller authority: Charter Trustees for Taunton

County area (local councils and parish meetings only):

Financial year ending 31 March 2021

Prepared by (Name and Role): Marcus Prouse - Specialist Governance and Democracy

Date: 18/06/21

	£	£
Balance per bank statements as at 31/3/21:		
account 1	8,676.0	
account 2		
account 3		
account 4		
[add more accounts if necessary] account 5		
account 6		
account 7		
account 8		
		8,676.0
Petty cash float (if applicable)		-
Less: any unpresented cheques as at 31/3/21 (enter these as negative numbers)		
item 1		
item 2		
item 3		
item 4		
[add more lines if necessary] item 5		
item 6		
item 7		
item 8		
		-
Add: any un-banked cash as at 31/3/xx		
		-
Net balances as at 31/3/21 (Box 8)		8,676.0

Explanation of variances – pro forma

Name of smaller authority: **The Charter Trustees for Taunton**
 County area (local councils and parish meetings only):

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

Next, please provide full explanations, including numerical values, for the following that will be flagged in the green boxes where relevant:

- variances of more than 15% between totals for individual boxes (except variances of less than £200);
- New from 2020/21:** variances of £100,000 or more require explanation regardless of the % variation year on year;
- a breakdown of approved reserves on the next tab if the total reserves (Box 7) figure is more than twice the annual precept/rates & levies value (Box 2).

	2019/20 £	2020/21 £	Variance £	Variance %	Explanation Required?	Automatic responses trigger below based on figures input, DO NOT OVERWRITE THESE BOXES	Explanation from smaller authority (must include narrative and supporting figures)	
1 Balances Brought Forward	0	0					Explanation of % variance from PY opening balance not required - Balance brought forward does not agree, query this	First year of precept was for the 20/21 financial year - in their first year of establishment, 2019/20 - the Charter Trustees were given control over a budget of £132,936, of which £63,500 was spent and £69,436 was returned to Somerset West and Taunton Council (the District) at year end, leaving a balance of £0 brought forward.
2 Precept or Rates and Levies	0	51,145	51,145	#DIV/0!	#DIV/0!	#DIV/0!		First year of precept was for the 20/21 financial year - in their first year of establishment, 2019/20 - the Charter Trustees were given control over a budget of £132,936, of which £63,500 was spent and £69,436 was returned to Somerset West and Taunton Council (the District) at year end.
3 Total Other Receipts	132,936	0	-132,936	100.00%	YES			First year of precept was for the 20/21 financial year - in their first year of establishment, 2019/20 - the Charter Trustees were given control over a budget of £132,936 by the District Council, of which £63,500 was spent and £69,436 was returned to Somerset West and Taunton Council (the District) at year end. This funding was to support the Charter Trustees and to also allow them to allocate funding from the Special Expenses precept for funding activities that a Town and Parish Council usually would support. As the Charter Trustees should only have control over funds needed to carry out their duties any underspend at the end of 19/20 was returned to the District Council and all funds precepted by the District Council for Special Expenses are controlled by the District Council.
4 Staff Costs	0	34,614	34,614	#DIV/0!	#DIV/0!	#DIV/0!		In their first year of establishment, SWT agreed to cover the cost of any staffing arrangements for The Charter Trustees, as it was unknown as to what level of support would be required. In the second year the Charter Trustees could precept for their staff costs and did so, purchasing time from SWT officers.
5 Loan Interest/Capital Repayment	0	0	0	0.00%	NO			
6 All Other Payments	63,500	7,855	-55,645	87.63%	YES			First year of precept was for the 20/21 financial year - in their first year of establishment, 2019/20 - the Charter Trustees were given control over a budget of £132,936, of which £63,500 was spent and £69,436 was returned to Somerset West and Taunton Council (the District) at year end. This funding was to support the Charter Trustees and to also allow them to allocate funding from the Special Expenses precept for funding activities that a Town and Parish Council usually would support. As the Charter Trustees should only have control over funds needed to carry out their duties any underspend at the end of 19/20 was returned to the District Council and all funds precepted by the District Council for Special Expenses are controlled by the District Council.
7 Balances Carried Forward	69,436	8,676			NO			VARIANCE EXPLANATION NOT REQUIRED
8 Total Cash and Short Term Investments	0	8,676						VARIANCE EXPLANATION NOT REQUIRED
9 Total Fixed Assets plus Other Long Term Investments	142,958	142,958	0	0.00%	NO			
10 Total Borrowings	0	0	0	0.00%	NO			

Rounding errors of up to £2 are tolerable

Variances of £200 or less are tolerable

