



FOLKESTONE TOWN COUNCIL

Date of Publication: 10th June 2021

AGENDA

Meeting: **Folkestone Town Council**
Date: **17th June 2021**
Time: **6.00 p.m.**
Place: **Council Offices, Town Hall, 1-2 Guildhall Street, Folkestone.**

To: **Town Councillors**

YOU ARE HEREBY SUMMONED to attend an ordinary meeting of the Folkestone Town Council on the date and at the time and place shown above to transact the business shown on the agenda below. The meeting will be open to the press and public.

Any member who wishes to have information on any matter arising on the agenda which is not fully covered in these papers is requested to give notice prior to the meeting to the Town Mayor or Town Clerk.

A handwritten signature in blue ink, appearing to read 'J Childs'.

J Childs
Town Clerk

- 1. APOLOGIES FOR ABSENCE**
To receive and approve any apologies for absence.
- 2. DECLARATIONS OF INTEREST**
To receive any declarations of either personal or prejudicial interest that Members may wish to make.
- 3. MINUTES**
To receive the Minutes of Annual Meeting of the Council held on 4th May 2021 and to authorise the Town Mayor to sign them as a correct record.

4. INTERNAL AUDITOR'S REPORT

The Internal Auditor's Report for 2020/21 is attached for the Committee's information.

5. STATEMENT OF INTERNAL CONTROL

To review the effectiveness of the system of Internal Control. Councillors are asked to consider the attached Statement of Internal Control in support of the Annual Governance Statement.

The Chairman of the meeting and the Town Clerk to sign.

6. ANNUAL GOVERNANCE STATEMENT 2020/21

To approve the Annual Governance Statement for 2020/21 (Section 1 of the Annual Return for the year ending 31 March 2021).

The Chairman of the meeting and the Town Clerk to sign.

7. STATEMENT OF ACCOUNTS AND ANNUAL RETURN 2020/21

To approve the Statement of Accounts for 2020/21, the Annual Return for 2020/21 (Section 2 of the Annual Return for the year ending 31 March 2021) and the supporting Bank Reconciliation.

The Chairman of the meeting to sign.

8. DATE AND TIME OF NEXT MEETINGS

Thursday, 9th September 2021 at 6.30pm

Folkestone Town Council

MINUTES of the Annual Council Meeting of the Folkestone Town Council held virtually via Zoom on Tuesday, 4th May 2021 at 6.30 p.m.

PRESENT: Councillors Abena Akuffo-Kelly, Ann Berry, Paul Bingham, Peter Gane, Michelle Keutenius, Jonathan Graham, David Horton, Dylan Jeffrey, Nicola Keen, Mary Lawes, Jackie Meade, Connor McConville, Belinda Walker, Richard Wallace and Roger West.

In attendance: Jennifer Childs (Town Clerk), Georgina Wilson (Executive Assistant).

Cllr Michelle Keutenius, the retiring Town Mayor welcomed everyone to the 18th Annual Meeting of the Folkestone Town Council and gave a summary of her year as Mayor, she felt very honoured and privileged to have been given the opportunity to be Mayor in a most unprecedented year.

Prayers

Prayers were led by Rev Bob Weldon.

The Lord Warden, the Admiral of the Fleet the Lord Boyce KG GCB OBE DL was in attendance and said a few words.

1783. ELECTION OF TOWN MAYOR 2021/22 AND DECLARATION OF ACCEPTANCE OF OFFICE

The Town Mayor, Cllr Michelle Keutenius, called upon Town Councillors to submit their nominations for the election of the Town Mayor of Folkestone for the 2021/22 municipal year.

RESOLVED: That Councillor Michelle Keutenius be appointed Town Mayor for Folkestone Town Council 2021/22 until the next Annual Meeting and the acceptance of office by her successor.

Proposed: Councillor David Horton

Seconded: Councillor Belinda Walker

Voting: F: 12, Ag: 3, Ab: 0

Councillor Michelle Keutenius will sign and date the Declaration of Acceptance of Office in the presence of the Town Clerk.

Councillor David Horton spoke in support of his nomination of the Town Mayor and Councillor Belinda Walker spoke as seconder to the motion.

The Town Mayor reported that her charities for the year would be Home Start Shepway, Kent Air Ambulance, and the Rainbow Centre.

The newly elected Town Mayor, Councillor Keutenius, then thanked Councillors for their kind words of support.

1784. ELECTION OF DEPUTY TOWN MAYOR 2021/22 AND DECLARATION OF ACCEPTANCE OF OFFICE

The Town Mayor, Councillor Keutenius, called upon Town Councillors to submit their nominations for the election of the Deputy Town Mayor of Folkestone.

RESOLVED: That Councillor Nicola Keen be appointed Deputy Town Mayor for Folkestone Town Council 2021/22 until immediately after the election of a Town Mayor at the next Annual Meeting of Folkestone Town Council.

Proposed: Councillor Jackie Meade

Seconded: Councillor Paul Bingham

Voting: F: 15, Ag: 0, Ab: 0

The Town Mayor congratulated Councillor Keen who will sign and date the Declaration of Acceptance of Office in the presence of the Town Clerk, she then thanked Town Councillors and the Town Clerk for their support and kind words.

Councillor Jackie Meade spoke in support of her nomination of the Deputy Town Mayor; Councillor Paul Bingham also spoke in support of the motion.

1785. APOLOGIES FOR ABSENCE

Apologies were received for Councillors Ray Field and Tim Prater due to other Council commitments.

1786. DECLARATIONS OF INTEREST

No declarations were made.

1787. APPOINTMENT OF:

a) TOWN MAYOR'S CHAPLAIN

The Town Mayor announced the appointment of Reverend Bob Weldon as her Chaplain for the ensuing year.

b) CONSORT

The Town Mayor confirmed the appointment of Mr Neil Keutenius as her Consort for the ensuing year.

1788. MINUTES

The Full Council was asked to receive the Minutes of an Ordinary Meeting of the Council held on 6th April 2021 and to authorise the Town Mayor to sign them as a correct record.

RESOLVED: That the Minutes of the Ordinary Council meeting held on 6th April 2021 be received and signed as a correct record.

Proposed: Councillor Peter Gane

Seconded: Councillor Belinda Walker

Voting: F: 15, Ag: 0, Ab: 0

1789. TOWN MAYOR'S ANNOUNCEMENTS

Town Councillors were requested to note the following dates for forthcoming Civic Events with the caveat that due to the coronavirus pandemic they may have to be cancelled:

6 June 2021	D - Day (NVA)
6 June 2021	William Harvey Sunday
20 June 2021	Town Sunday
20 June 2021	Blessing of the Fisheries
w/c 21 June 2021	Virtual AFD Folkestone
1 July 2021	Canada Day
15 August 2021	VJ Day Anniversary
15 September 2021	Battle of Britain Wreath Laying
17 October 2021	Trafalgar Day
7 November 2021	Dedication of Garden of Remembrance
11 November 2021	Machine Gun Corps
14 November 2021	Remembrance Sunday
TBC Dec 2021	Schoolchildren's Xmas Concert
27 January 2022	Holocaust Memorial Day
10 May 2022	Mayor Making

The events were noted.

1790. APPOINTMENTS TO COMMITTEES & SUB COMMITTEES

RESOLVED: To approve the appointments to Committees and Sub Committees schedule for 2021/22.

Proposed: Councillor Roger West

Seconded: Councillor Abena Akuffo Kelly

Voting: F: 15, Ag: 0, Ab: 0

1791. APPOINTMENTS TO OUTSIDE BODIES 2021/22

The Town Council was asked to appoint Councillors to the following outside bodies. Councillor Jackie Meade moved the following enbloc:

- i. Kent Association of Local Councils (two Councillors)

RESOLVED: That the Mayor and Deputy Mayor be appointed as representative for KALC for the ensuing year.

- ii. Trustees for the John Bowley and Sherwood Almshouses (three Councillors)

RESOLVED: That Councillors Paul Bingham, Richard Wallace and Roger West be appointed as representative for the John Bowley and Sherwood Almshouses for the ensuing year.

- iii. Municipal Charities (four Councillors and Mayor)

RESOLVED: That Councillors Ann Berry, Paul Bingham, Dylan Jeffrey, Roger West and Michelle Keutenius be appointed as representative for the Municipal Charities for the ensuing year.

- iv. Folkestone Town Team (two Councillors)

RESOLVED: That Councillors Nicola Keen and Mary Lawes be appointed as representative for the Folkestone Town Team for the ensuing year.

- v. Folkestone Twinning Association (one Councillor)

RESOLVED: That Councillor Jonathan Graham be appointed as representative for the Folkestone Twinning Association for the ensuing year.

- vi. Folkestone CLLD

RESOLVED: That Councillor Ann Berry be appointed as representative for the Folkestone CLLD for the ensuing year.

Proposed: Councillor Jackie Meade

Seconded: Councillor Jonathan Graham

Voting: F: 15, Ag: 0, Ab: 0

1792. APPOINTMENT OF CHEQUE SIGNATORIES

To authorise the signatories on cheque payments as follows:

- Town Mayor, Deputy Town Mayor and serving Past Mayors
- Chairman and Vice Chairman of Finance and General Purposes Committee
- Chairman and Vice Chairman of Planning Committee
- Chairman and Vice Chairman of Community Services Committee

RESOLVED: That the above Councillors be authorised as cheque

signatories along with the Chairman and Vice Chairman of the new Climate and Environment Committee once they are appointed.

Proposed: Councillor Abena Akuffo-Kelly

Seconded: Councillor Roger West

Voting: F: 15, Ag: 0, Ab: 0

It would be necessary to continue with the current signatories on the mandate until Committee Chairmen and Vice-Chairmen were appointed and the bank has made the necessary changes.

1793. POLICY REVIEW

In line with NALC guidance, Council was asked to review its policies and adopt the Revised Standing Orders and Revised Financial Regulations.

Councillor Dylan Jeffrey commented that it would be useful to have the old and the new proposals side by side to be able to compare the changes in future.

RESOLVED: To adopt the Council's policies for 2021/22 including the revised Standing Orders and Financial Regulations.

Proposed: Councillor Roger West

Seconded: Councillor Jackie Meade

Voting: F: 15, Ag: 0, Ab: 0

1794. TOWN CLERKS SCHEME OF DELEGATION AMENDMENT

In addition to the Town Clerk's current adopted scheme of delegation, NALC and KALC are recommending further amendments to accommodate Council being unable to meet due to the Local Authorities and Police And Crime Panels (Coronavirus) (Flexibility of Local Authority and Police And Crime Panel Meetings) (England And Wales) Regulations 2020 expiring on the 7th May and the ongoing restrictions imposed due to the Coronavirus Pandemic.

As Council's proper officer under Section 101 of the Local Government Act 1972, it is recommended that the Town Clerk be given further delegated authority to make decisions and act on behalf of and/or in the best interests of the Council within the constraints of Council's financial thresholds, with the exception of those decisions which are reserved exclusively for Full Council, such as setting the precept, appointing the Chairman and approving the AGAR. If possible, the Town Clerk should liaise, in whatever format she deems appropriate, with members to seek their views.

Councillor Connor McConville asked for clarity as to whether the amendments were temporary and exactly what would be included, the Town Clerk advised that it covers any activity that would normally require resolution by Council or its Committees excluding those resolutions reserved for Full Council as outlined above.

RESOLVED: To adopt the above amendments to the Town Clerks Scheme of Delegation until such time as the Council can realistically meet face to face.

Proposed: Councillor Michelle Keutenius
Seconded: Councillor Jonathan Graham
Voting: F: 15, Ag: 0, Ab: 0

1795. ANNUAL REPORT 2020/21

The Annual Report was noted.

1796. SCHEDULE OF MEETINGS FOR THE MUNICIPAL YEAR 2021/22

The Schedule of Meetings was noted.

1797. DATE AND TIME OF NEXT MEETING

17th June at 6pm (Provisional)

The meeting ended at 7.06 pm

.....Town Mayor

<p>Risk Assessment</p> <p>HIGH 0</p> <p>MEDIUM 0</p> <p>LOW 16</p>	<p style="text-align: center;">Folkestone Town Council INTERNAL AUDIT 2020-2021 AUDIT PLAN WITH COMMENTS / FINDINGS</p> <p>I am pleased to report to Members of the Folkestone Town Council (the "Council"), that I have completed my year-end internal audit of the Council's records for the twelve month period to 31 March 2021, following my audit visit and subsequent conversations on 3 June 2021.</p> <p>Councillors should be aware that my work cannot be relied upon to identify the occasional omission or insignificant error, nor do I actively seek evidence of breaches of trust or statute, neglect or fraud, which may have taken place. It is the responsibility of the Councillors of the Council to guard against such events, but if during my audit testing such events are discovered I am duty bound to disclose such events to the Council.</p> <p>I would like to take this opportunity to thank the Town Clerk, Mrs J Childs and Mr P Cross the Finance Officer for their assistance given to me during my audit visit.</p>		
Area	Item	Comments / Findings Year-end Audit 31 March 2021	
Previous Audits	<ul style="list-style-type: none"> Date of last External Audit Certificate or Exemption Certificate for 2019-20 Comments if any Publication on website. Date of last Internal Audit Comments if any Review of any items outstanding from previous internal / external audit reports. 	<p>PKF Littlejohn signed off the AGAR 2019-20 on 29 July 2020 and the Notice of Conclusion of Audit posted to the website on 6 Aug 2020. Received by F&GP – 20 Aug 2020 (Min 1351) and the F&GP Mins were approved by full Council on 18 March 2021 Min 1760-4 (delayed due to receipt of the wet signatures to the Minutes caused by Covid-19).</p> <p>There were no comments.</p> <p>All the AGAR information is published on the Council's website.</p> <p>27 May 2019 considered by the Council 23 July 2020 Min 1716</p>	
Minutes	<ul style="list-style-type: none"> Scan of the minutes of the Council's meetings and the Finance Committee. Virtual Meetings ? General Power of Competence (GPC) ? Dispensations S.40 LA&A Act 2014 filming/recording 	<p>Since the "lockdown" most meetings have been cancelled, but the Council successfully met "virtually" on 12 May 2020, although 3 Cllrs could not access the Meeting due to connection issues. The Council initially used Microsoft Teams for the virtual meetings but was replaced by "Zoom Meetings", which had better connectivity and easier for Cllrs to use.</p> <p>All minutes are drafted and put on the website within 2 days of a meeting so Councillors and the public can see what was agreed.</p> <p>GPC approved by Council 14 May 2019 (Min 1590)</p> <p>The Town Clerk advised me of the "face to face" Meeting arrangements following the ending of the "virtual meetings" (post 6/7 May 2021) allowing for safe "social distancing", with the prospect of using the District Council Chamber for full Council Meetings at a cost.</p>	

Code of Conduct/ Acceptance of Office	<ul style="list-style-type: none"> • Date adopted • Any changes in elected/co-opted members since last Audit ? • DPI's complete • DPI's on website or weblink • New Governance Compliance • NEXT ELECTION ? 	<p>18 Councillors elected in May 2019.</p> <p>During 2020-21 – Cllr Dan Brook defaulted for non-attendance June 2020, the casual vacancy was reported to Council 23 July 2020 Min 1727, but no elections were allowed to take place until 6 May 2021.</p> <p>Notice of Election 19 March 2021 – 6 candidates stood including the former Cllr Dan Brook (6 May 2021) who was re-elected.</p> <p>DPI link provided against each Councillor profile shown on the website including the recent update for the newly elected Cllr Brook, May 2023</p>
Standing Orders and Financial Regulations	<ul style="list-style-type: none"> • Have they been formally adopted and applied? • Have any changes been made since they were adopted or the last audit? • Have any changes been formally adopted by the Council? • Virtual Meetings / Delegation to Clerk/RFO re Covid -19 ? • Updated re New NALC Models SO's 2018, Fin Regs 2019 ? • Two signature rule still in place? 	<p>Scheme of Delegation to the Town Clerk was approved by full Council 12 May 2020 Min 1696 BUT the minute simply states "Resolved: To receive and adopt Report C/20/266", which in my view is not sufficient when dealing with a major policy as the amended Scheme of Delegation to the Town Clerk caused by the Covid-19 pandemic. Even for Town Councillors I suspect this minute would mean nothing a few months later without the need to refer to the Report itself. The Minute should give the reader at least some indication of what was resolved. The preceding Minute 1695 refers to a Treasury Management Report, the resolution refers to the "adoption of the Investment Policy for the financial year 2020-21", which means something.</p> <p>Ironically the Scheme of Delegation has recently been discussed again by Council 4 May 2021 Min 1794 with a more detailed Minute. The preceding Min 1793 refers to a review of all the Council's Policies with a link to the Council's website to enable Councillors to view the policies. The Minute specifically mentions the adoption of revised Standing Orders and Financial Regulations, which were attached to the Agenda Papers.</p>

Risk Management	<ul style="list-style-type: none"> ● Risk Assessments – Are they: <ul style="list-style-type: none"> ○ Carried out regularly? ○ Adequate? ○ Reported in the minutes? ○ ANNUAL REVIEW ? ● Insurance cover – is it: <ul style="list-style-type: none"> ○ Appropriate/Adequate? ○ LTA in place? ○ Reviewed regularly? ○ Fidelity Guarantee Cover £ (Balances + ½ Precept) ● Internal controls – are they: <ul style="list-style-type: none"> ○ Documented? ○ Adequate? ○ Reviewed regularly? ○ Statement of Internal Control (SIC)? ● Systems and Procedures – are they: <ul style="list-style-type: none"> ○ Documented? ○ Adequate? ○ Followed? ○ Reviewed regularly? 	<p>Council 23 July 2020 Min 1717 considered the annual review of the Governance & Accountability Risk Assessment and Insurance Review. The same item was discussed again at Council 18 March 2021 Min 1766.</p> <p>Zurich Municipal insurance cover via a Long-term Agreement (LTA) to 28 July 2021. The policy includes motor insurance, the current policy expires 28 July 2021. The Finance Officer advised that he was waiting for 3 quotes for another LTA.</p> <p>Fidelity cover = £1m</p> <p>Council approved the SIC on 12 May 2020 (Min 1706)</p> <p>Many policies and procedures in place and most are listed on the Council's website covering GDPR, HR, Governance and General areas.</p> <p>The Town Clerk prepares an annual Policy Review Report covering all the policies eg Council 12 May 2020 Min 1692 and recently 4 May 2021 Min 1793, which included the adoption of revised Standing Orders and Financial Regulations.</p>
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Budgetary Controls	<ul style="list-style-type: none"> Is the annual budgeting process reported and approved by the Council? <ul style="list-style-type: none"> Budget/Precept amounts minuted? Is the actual performance against the budgets reported to the Council during the year <ul style="list-style-type: none"> Compare with Fin Regs? Are significant variances explained in sufficient detail? Covid-19 implications ? 	<p>Regular Budget Monitoring – expenditure & income to 31 May 2020 considered by Council 23 July 2020 Min 1721, period to 30 Sept 2020 – F&GP 22 Oct 2020, period to 30 Nov 2020 – F&GP 17 Dec 2020</p> <p>Budget 2021-22 considered by F&GP 17 Dec 2020 Min 1380. The Committee agreed rollover of underspends in 2020-21 and growth items in the proposed Budget for 2021-22 of £911,150 and the recommendation for the same Precept for 2020-21 of £873,950 to Council at its meeting on 14 Jan 2021.</p> <p>The Budget and Precept for 2021-22 was approved on 14 Jan 2021 Min 1756 - “Folkestone Town Council’s precept for 2021/22 is £873,950 at the tax base level advised by the Principal Council of 14,171.12 the Town Council’s Band D tax would be £61.67p the equivalent of £1.18 per week.”</p>
Section 137 expenditure £8.32 FOR 2020-21 (£8.12 FOR 2019-20)	<ul style="list-style-type: none"> What is the cash limit for the year? Is a separate account/analysis kept? Has the cash limit been exceeded? Have the spending powers been properly used and Minuted? 	<p>S137 expenditure amounted to £6,158 well down on previous years due to the pandemic restrictions.</p>
Book-keeping	<ul style="list-style-type: none"> Cashbook - is it: <ul style="list-style-type: none"> Fit for purpose? Up to date? Arithmetically correct? Balanced regularly? 	<p>Rialtas Business Solutions – Omega Accounts package.</p> <p>Yes Yes Yes Yes</p>

Petty Cash	<ul style="list-style-type: none"> • Has the amount of petty cash float been agreed? • Are all petty cash entries recorded? • Are payments made from petty cash fully supported by receipts / VAT invoices? • Are petty cash reimbursements signed for? • Date of last petty cash reimbursement ? • Is petty cash balance independently checked regularly 	<p>There are two petty cash floats in place. £100 cash float for the Museum an office float of managed by the Finance Officer covering the rest of the Council's activities that require cash purposes usually to expedite minor issues.</p> <p>The latter float was up to £500 but has been wound down considerably during the "lockdown" and home-working arrangements. A new system has been introduced to pay incidental expenses incurred by staff and Councillors via the HSBC internet banking rather than cash re-imbursements.</p>
Payroll	<ul style="list-style-type: none"> • Who is on the payroll and are contracts of employment in place? • Who is the RFO? • Annual Appraisal in place ? • Have there been any changes to the establishment during the year? • Have there been any changes to individual contracts during the year? • Have new appointments and changes to contracts been approved and minuted? • Do salaries paid agree with those approved by the Council? • Have PAYE/NIC requirements been properly applied and accounted for? • Payroll outsourced? • WORKPLACE PENSION IN PLACE 	<p>There were 12 employees at the end of the financial year 31 March 2020, now reduced to 10 employees as shown on the staff structure on the Council's website. There have been some job titles and job description changes during the last year. Officers and contact details are available on the website. All have a "generic email address – ANOther@folkestone-tc.gov.uk)</p> <p>Since March/April 2020 the Council Offices have been closed to the public and most staff have been working from home, technology permitting.</p> <p>A recent Personnel sub-committee approved a 9 month trial of a new ways of working hybrid model on the 29 April 21 Min 509 Report P/21/288 which includes a mix of office/home working and flexible hours.</p> <p>Sample payslips were inspected as part of the audit.</p> <p>The payroll function is outsourced to Payroll Services (UK) Ltd based in Cardiff.</p> <p>The LGPS scheme is in place as the WorkPlace Pension. There are 10 Scheme members.</p>

Payments	<ul style="list-style-type: none"> Are all payments recorded and supported by appropriate documentation? Are payments minuted? Review of DD's and SO's ? STAFF costs definition for inclusion in Box 4 for 2020-21, check parity for 2019-20 ? Currently includes salary, tax, NIC & Pension (employee & ers) + taxable benefits (home working allowance, broadband & phone allowance etc NOT incl. Has VAT been identified, recorded and reclaimed? Have internal control procedures been adhered to? Contracts: <ul style="list-style-type: none"> What contracts exist? Compliance with SO's Have any new contracts or contract variations/extensions been awarded in the year? Procedures adopted for letting of contracts Have contract payments been made in accordance with the contract document? 	<p>The payments for £250 and over are listed on the website. More use was made of the "prepaid credit card" during 2020-21 controlled by the Town Clerk and Finance Officer.</p> <p>Schedules of payments made in between Council Meetings are provided to Councillors as part of the agenda.</p> <p>DD's and SO's in place especially for utility services.</p> <p>The Rialtas Business Solutions accounting package complies with the Box 4 staffing cost definition.</p> <p>VAT claims during 2020-21 were – the comparison figures for 2019-20 gives a crude guide to the Covid-19 impact on spending in 2020-21.</p> <table border="1"> <tr> <td>1 Apr – 30 June 2020 -</td> <td>£7,576</td> <td>(£12,616 equiv claim in 2019-20)</td> </tr> <tr> <td>1 July – 30 Sept 2019 -</td> <td>£9,916</td> <td>(£21,270 ditto)</td> </tr> <tr> <td>1 Oct – 31 Dec 2019 -</td> <td>£16,031</td> <td>(£23,181 ditto)</td> </tr> <tr> <td>1 Jan – 31 Mar 2020 -</td> <td>£25,066</td> <td>(£27,172 ditto)</td> </tr> </table> <p>A sample of regular contractors- FHDC – flowerbed maintenance 2020-21 Ashford BC – CCTV monitoring Clearview Communications – CCTV maintenance and new installations Daisy Communications- phone & broadband services Harmer & Sons Ltd – Grounds Mtce. ADM Computer Services Ltd – IT support FairFX (aka Equals) – Credit Card top-up Metroline Security Ltd – fire & intruder alarm maintenance</p>	1 Apr – 30 June 2020 -	£7,576	(£12,616 equiv claim in 2019-20)	1 July – 30 Sept 2019 -	£9,916	(£21,270 ditto)	1 Oct – 31 Dec 2019 -	£16,031	(£23,181 ditto)	1 Jan – 31 Mar 2020 -	£25,066	(£27,172 ditto)
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Receipts	<ul style="list-style-type: none">Are all receipts recorded correctly?Are all receipts promptly banked?Precept, CTSG and Sect 136 paymentsAre internal controls of cash adequate?Are invoicing arrangements adequate?Covid-19 implications?	<p>A Receipts Bank Account has been set up primarily for card payments (including online bookings). It is also used for cash payments made through the till.</p> <p>Apart from the Precept of £873,950 the other main source of income to the Council in 2020-21 was £119,253 funding for the Museum and Heritage Centre, Neighbourhood Fund £22,011 and Community Transport £71,303. Other income included - income from Allotments (£10,117), rental receipts from the cinema (inc service charges) NB the cinema has been granted rental holidays due to the Covid-19 lockdowns, and room bookings (£3,700 NB £16,520 in 2019-20) Museum/Heritage sales (£128 NB £1,750 in 2019-20).</p> <p>The Council also received a dowry of £100,000 for the play areas that have been transferred from FHDC, specifically to bring the parks back to an acceptable standard as soon as possible. The Town Clerk has had the ROSPA reports done and virtually the entire dowry will be required to complete this work.</p> <p>Allotment billing encourages “cashless payments” and paperless tenancies.</p>												
Bank reconciliation & PWLB Loans	<ul style="list-style-type: none">What current/deposit accounts exist?FSCS aware and compliant?Are bank reconciliations regularly carried out for each account?Level of Balances to Precept ratioAre the cheque counterfoils, paying-in books and bank statements adequately referenced?When was the last review of the banking arrangements?Internet Banking/Corporate Card and if in place Financial Regs updated ?Signature review (Two signatures required?)Any PWLB loans ?	<p>The Bank balances as at 31 March 2020 were –</p> <table><tr><td>HSBC current a/c (4530)</td><td>- £129,158</td></tr><tr><td>HSBC receipts a/c (9811)</td><td>- £1,000</td></tr><tr><td>HSBC Deposit a/c (1654)</td><td>- £250,000</td></tr><tr><td>Short-term deposits</td><td>- £500,000 (held with the F&H District Council)</td></tr><tr><td>Cash Floats and pre-paid Credit Card</td><td>- £1,662</td></tr><tr><td>TOTAL</td><td>- £881,820 (last year = £514,958)</td></tr></table> <p>The latest Treasury Management Policy (Council 18 March 2021 Min 1765) includes an emphasis on ethical investments etc, but at the moment many financial institutions are NOT accepting any new deposits and those that do pay pitiful interest. Security of the cash investment is paramount, the obvious home for the surplus cash is with the National Savings (NSI) every £ is Government backed (ie no £85k FSCS limit)</p> <p>Very few cheques are issued, the Council is actively requesting BACS details wherever possible.</p> <p>The convenience of the HSBC branch is a big plus especially as there is a need for cash facilities associated with the allotment rentals and Museum sales activity.</p> <p>Pre-paid Credit Card with max limit £1,500. Extensively used during 2020-21</p> <p>Signatures are reviewed at the Annual Meeting as they are linked to posts held within the Council rather than nominated Cllrs, eg Town Mayor and Deputy Mayor and Chair and Vice Chair of the three main Committees.</p> <p>It would make sense to abandon this system of authorised signatories in favour of a permanent list of 5-6 signatories for the 4-year term of the Council and avoid the hassle of annual revision of the bank mandate, which is becoming a nightmare to sort out exacerbated by the Covid-19 restrictions and very poor service from the banking sector.</p> <p>The balance outstanding as at 31 March 2021 of the one loan with PWLB was £308,666.</p>	HSBC current a/c (4530)	- £129,158	HSBC receipts a/c (9811)	- £1,000	HSBC Deposit a/c (1654)	- £250,000	Short-term deposits	- £500,000 (held with the F&H District Council)	Cash Floats and pre-paid Credit Card	- £1,662	TOTAL	- £881,820 (last year = £514,958)
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Cash Floats and pre-paid Credit Card	- £1,662													
TOTAL	- £881,820 (last year = £514,958)													

Assets and Asset Register (AR)	<ul style="list-style-type: none"> Are all the material assets owned by the Council recorded in an AR ? Is the AR up to date? Basis of Asset Values? Are investments recorded? Are the valuations regularly reviewed? Does the AR show the insurance values ? Digital Photographic evidence? Is there a separate Inventory List of low value items (e.g. below the insurance excess levels) ? 	<p>The total asset value as at 31 March 2021 was £3,421,386 and increase of £55,330. £30,000 of the increase related to new CCTV in the Cheriton area and £13,500 for new bus shelters, Christmas lights accounted for another £7,000 the remaining being increases in office equipment.</p> <p>The Mayoral Car is leased and hence NOT included in the Asset Register other than as a "memo" item.</p> <p>Digital images of regalia is complete but work on digitising the museum collection is still on going as there are in excess of 10,000 objects that are being photographed. During the Covid period the Museum Curator has done a lot of work on the modes catalogue.</p> <p>Last year I mentioned a project to digitise all street assets using Pear Technology digital mapping software. The Town Clerk advised that all the assets had been mapped into the Pear data files and embedded onto maps. This is being developed into an embedded web page.</p> <p>https://mapping.peartechnology.co.uk/prow/getmap?name=demo_folkestone</p>
Year-end procedures inc. AGAR	<ul style="list-style-type: none"> Does the 2020-21 AGAR Statement of Accounts agree with the cashbook? Is there an audit trail from the financial records to the accounts? Have debtors and creditors been properly recorded? Date of approval of 2019-20 AGAR & Certificate of Exemption if applied PROOF of public rights provision during summer 2020 & website- AIAR ICO L New governance compliance regime - refer to new Practitioners' Guide 2020 	<p>Accounting records were checked against the figures to be used in the AGAR Statement of Accounts for 2020-21, including the Bank Reconciliation.</p> <p>The Council approved the AGAR 2019-20 on 12 May 2020 (Min 1707 & 1708), the RFO signed off the Statement of Accounts on 12 May 2020</p> <p>Date of Announcement – 1 June 2020 Public Inspection period – 15 June to 24 July 2020 Evidence – The Public Rights and Publication of the unaudited AGAR 2019-20 were posted to the Council's website on 1 June 2020 as "News Items" which provides the date of publishing.</p>

Additional tests – (as necessary)	<ul style="list-style-type: none"> Computer systems: <ul style="list-style-type: none"> The procedures for the backing up of computerised records Council owned PC/laptop ? Email security Encryption of data? Record keeping and the arrangements in place to store previous year's accounts etc. Annual review of the effectiveness of Internal Audit inc. Appointment of IIA 	<p>No major changes other than the setup of an internal "intranet" system. The system enables paperless Purchase Order, Expenses and Leave management which supports the Councils carbon neutral pledge, together with a GDPR compliant central contacts database, latest policies and includes the Allotment Registers, which used to be on spreadsheets and quickly highlights outstanding rent payments.</p> <p>ADM Computing (based in Canterbury) provides "remote support"</p> <p>Back-up of Councils files is via Microsoft "Azure" cloud services with secondary disk backup.</p> <p>The Council PC's and laptops use Microsoft 365 Business Premium.</p> <p>The Council's IT network and infrastructure is Cyber Essentials Certified.</p>
<ul style="list-style-type: none"> Website host and Webmaster and any changes? 	<ul style="list-style-type: none"> Website host and Webmaster and any changes? 	<p>Appointment of the Independent Internal auditor for 2020-21 approved by F&GP 18 Feb 2021 Min 1388</p> <p>www.folkestone-tc.gov.uk provided by Vision ICT Ltd</p> <p>The Town Clerk is the "webmaster" and main "uploader" of new posts to the website, supported by the Executive Assistant.</p>
<ul style="list-style-type: none"> Website functionality & accessibility (23 Sept 2020 deadline) NALC L09-18 	<ul style="list-style-type: none"> Website functionality & accessibility (23 Sept 2020 deadline) NALC L09-18 	<p>The functionality is good.</p>
<ul style="list-style-type: none"> TRANSPARENCY CODE compliant? 	<ul style="list-style-type: none"> TRANSPARENCY CODE compliant? 	<p>The Council has several policies and documents on its website related to GDPR .</p>
<ul style="list-style-type: none"> Post GDPR (25 May 2018) <ul style="list-style-type: none"> Privacy Notice Cllr email addresses? Email disclaimer Other matters inc DPO arrangements 	<ul style="list-style-type: none"> Post GDPR (25 May 2018) <ul style="list-style-type: none"> Privacy Notice Cllr email addresses? Email disclaimer Other matters inc DPO arrangements 	<p>Last year I highlighted that the Quality Council Scheme observed that Cllrs used their own personal emails in preference to a more secure generic email address as used by the Officers. I noted that all Councillors have the generic email address format listed as their email contact within the "Your Councillors" section of the website. Eg jennifer.chilids@folkestone-tc.gov.uk</p>

**FOLKESTONE TOWN COUNCIL
STATEMENT OF INTERNAL CONTROL
FOR THE YEAR ENDING 31st MARCH 2021**

1. SCOPE OF RESPONSIBILITY

Folkestone Town Council (the Council) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

In discharging this overall responsibility, the Council is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk.

2. THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place at the Council for the year ended 31 March 2021 and up to the date of approval of the annual report and accounts and, except for the details of significant internal control issues at section 5, accords with proper practice.

3. THE INTERNAL CONTROL ENVIRONMENT

The Council:

The Council has appointed a Town Mayor, who is responsible for the smooth running of Full Council meetings and for ensuring that all Council decisions are lawful. A Chairman is appointed by each of its Committees to assume similar responsibilities.

The Council reviews its obligations and objectives and approves budgets for the following year at its December Finance and General Purposes Committee meeting. The January meeting of the Full Council approves the level of precept for the following financial year.

The Full Council meets seven times each year and receives the minutes of each of its Committees for monitoring purposes.

The Council carries out regular reviews of its internal controls, systems and procedures.

Clerk to the Council / Responsible Financial Officer:

The Council has appointed a Town Clerk who acts as the Council's advisor and administrator. The Clerk is the Council's Responsible Financial Officer and is responsible for administering the Council's finances. The Clerk is responsible for the day to day compliance with laws and regulations that the Council is subject to and for managing risks. The Clerk also ensures that the Council's procedures, control systems and policies are adhered to.

Payments:

All payments are reported to the Finance and General Purposes Committee. Two signatories of the Council must authorise payments, except where a scheme of delegation is in place, and sign each cheque (where this method of payment is used).

Risk Assessments / Risk Management:

The Council carries out regular risk assessments in respect of actions and regularly reviews its systems and controls.

Internal Audit:

The Council appointed an independent Internal Auditor who reported to the Council on the adequacy of its:

- records
- procedures
- systems
- internal control
- regulations
- risk management
- reviews

The effectiveness of the internal audit system is reviewed annually.

External Audit:

The Council's External Auditor, PKF Littlejohn LLP, submits an annual Certificate of Audit, which is presented to the Finance and General Purposes Committee.

4. REVIEW OF EFFECTIVENESS

The Council has responsibility for conducting an annual review of the effectiveness of the system of internal control. The review of the effectiveness of the system of internal control is informed by:

- the Full Council and its Committees;
- the Town Clerk / Responsible Financial Officer who has responsibility for the development and maintenance of the internal control environment and managing risks;
- the independent Internal Auditor who reviews the Council's system of internal control;

- PKF Littlejohn LLP, the Council's external auditor, who makes the final check using the Annual Return, a form completed and signed by the Responsible Financial Officer, the Town Mayor and the Internal Auditor. The external auditor issues an annual audit certificate;
- the number of significant issues that are raised during the year.

5. SIGNIFICANT INTERNAL CONTROL ISSUES

No significant internal control issues were identified during the 2020/21 financial year.

Whilst no significant internal control issues were identified during the year the Council strives for the continuous improvement of the system it has adopted for internal control and has addressed all the minor issues and weaknesses raised and reported during the review process.

Town Mayor

Date:.....

Town Clerk

Date:.....

Annual Governance and Accountability Return 2020/21 Part 3

To be completed by Local Councils, Internal Drainage Boards and other Smaller Authorities*:

- where the higher of gross income or gross expenditure exceeded £25,000 but did not exceed £6.5 million; or
- where the higher of gross income or gross expenditure was £25,000 or less but that:
 - are unable to certify themselves as exempt (fee payable); or
 - have requested a limited assurance review (fee payable)

Guidance notes on completing Part 3 of the Annual Governance and Accountability Return 2020/21

1. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 **must** complete Part 3 of the Annual Governance and Accountability Return at the end of each financial year in accordance with *Proper Practices*.
2. The Annual Governance and Accountability Return is made up of three parts, pages 3 to 6:
 - The **Annual Internal Audit Report** **must** be completed by the authority's internal auditor.
 - **Sections 1 and 2** **must** be completed and approved by the authority.
 - **Section 3** is completed by the external auditor and will be returned to the authority.
3. The authority **must** approve Section 1, Annual Governance Statement, before approving Section 2, Accounting Statements, and both **must** be approved and published on the authority website/webpage **before 1 July 2021**.
4. An authority with either gross income or gross expenditure exceeding £25,000 or an authority with neither income nor expenditure exceeding £25,000, but which is unable to certify itself as exempt, or is requesting a limited assurance review, **must** return to the external auditor by email or post (not both) **no later than 30 June 2021**. Reminder letters will incur a charge of £40 +VAT:
 - the Annual Governance and Accountability Return Sections 1 and 2, together with
 - a bank reconciliation as at 31 March 2021
 - an explanation of any significant year on year variances in the accounting statements
 - notification of the commencement date of the period for the exercise of public rights
 - Annual Internal Audit Report 2020/21

Unless requested, do not send any additional documents to your external auditor. Your external auditor will ask for any additional documents needed.

Once the external auditor has completed the limited assurance review and is able to give an opinion, the Annual Governance and Accountability **Section 1, Section 2 and Section 3 – External Auditor Report and Certificate** will be returned to the authority by email or post.

Publication Requirements

Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website/webpage:

Before 1 July 2021 authorities **must** publish:

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited;
- **Section 1 - Annual Governance Statement 2020/21**, approved and signed, page 4
- **Section 2 - Accounting Statements 2020/21**, approved and signed, page 5

Not later than 30 September 2021 authorities **must** publish:

- Notice of conclusion of audit
- **Section 3 - External Auditor Report and Certificate**
- **Sections 1 and 2 of AGAR** including any amendments as a result of the limited assurance review.

It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.

The Annual Governance and Accountability Return constitutes the annual return referred to in the Accounts and Audit Regulations 2015. Throughout, the words 'external auditor' have the same meaning as the words 'local auditor' in the Accounts and Audit Regulations 2015.

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

Guidance notes on completing Part 3 of the Annual Governance and Accountability Return (AGAR) 2020/21

- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this AGAR. *Proper Practices* are found in the *Practitioners' Guide** which is updated from time to time and contains everything needed to prepare successfully for the financial year-end and the subsequent work by the external auditor.
- Make sure that the AGAR is complete (no highlighted boxes left empty), and is properly signed and dated. If the AGAR contains unapproved or unexplained amendments, it may be returned and additional costs will be incurred.
- The authority **should** receive and note the Annual Internal Audit Report before approving the Annual Governance Statement and the accounts.
- Use the checklist provided below to review the AGAR for completeness before returning it to the external auditor by email or post (not both) no later than 30 June 2021.
- The Annual Governance Statement (Section 1) must be approved on the same day or before the Accounting Statements (Section 2) and evidenced by the agenda or minute references.
- The Responsible Financial Officer (RFO) must certify the accounts (Section 2) before they are presented to the authority for approval. The authority must in this order; consider, approve and sign the accounts.
- The RFO is required to commence the public rights period as soon as practical after the date of the AGAR approval.
- Do not send the external auditor any information not specifically requested. However, **you must inform your external auditor about any change of Clerk, Responsible Financial Officer or Chairman, and provide relevant authority owned generic email addresses and telephone numbers.**
- Make sure that the copy of the bank reconciliation to be sent to your external auditor with the AGAR covers all the bank accounts. If the authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree the bank reconciliation to Box 8 on the accounting statements (**Section 2, page 5**). An explanation **must** be provided of any difference between Box 7 and Box 8. More help on bank reconciliation is available in the *Practitioners' Guide**.
- Explain fully significant variances in the accounting statements on **page 5**. Do not just send a copy of the detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete numerical and narrative analysis to support the full variance.
- If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or variances are not fully explained, additional costs may be incurred.
- Make sure that the accounting statements add up and that the balance carried forward from the previous year (Box 7 of 2020) equals the balance brought forward in the current year (Box 1 of 2021).
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the commencement date for the exercise of public rights of 30 consecutive working days which **must** include the first ten working days of July.
- The authority **must** publish on the authority website/webpage the information required by Regulation 15 (2), Accounts and Audit Regulations 2015, including the period for the exercise of public rights and the name and address of the external auditor **before 1 July 2021**.

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
All sections	Have all highlighted boxes have been completed?	<input type="checkbox"/>	<input type="checkbox"/>
	Has all additional information requested, including the dates set for the period for the exercise of public rights, been provided for the external auditor?	<input type="checkbox"/>	<input type="checkbox"/>
Internal Audit Report	Have all highlighted boxes been completed by the internal auditor and explanations provided?	<input type="checkbox"/>	<input type="checkbox"/>
Section 1	For any statement to which the response is 'no', has an explanation been published?	<input type="checkbox"/>	<input type="checkbox"/>
Section 2	Has the authority's approval of the accounting statements been confirmed by the signature of the Chairman of the approval meeting?	<input type="checkbox"/>	<input type="checkbox"/>
	Has an explanation of significant variations from last year to this year been published?	<input type="checkbox"/>	<input type="checkbox"/>
	Has the bank reconciliation as at 31 March 2021 been reconciled to Box 8?	<input type="checkbox"/>	<input type="checkbox"/>
	Has an explanation of any difference between Box 7 and Box 8 been provided?	<input type="checkbox"/>	<input type="checkbox"/>
Sections 1 and 2	Trust funds – have all disclosures been made if the authority as a body corporate is a sole managing trustee? NB: do not send trust accounting statements unless requested.	<input type="checkbox"/>	<input type="checkbox"/>

***Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices**, can be downloaded from www.nalc.gov.uk or from www.ada.org.uk

Annual Internal Audit Report 2020/21

Folkestone Town Council

www.folkestone-tc.gov.uk

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. (If the authority had a limited assurance review of its 2019/20 AGAR tick "not covered")			✓
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 (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).	✓		
N. The authority has complied with the publication requirements for 2019/20 AGAR (see AGAR Page 1 Guidance Notes).	✓		

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

03/06/2021

Name of person who carried out the internal audit

David J Buckett

Signature of person who carried out the internal audit

D.J. Buckett

Date

03/06/2021

*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).

Section 1 – Annual Governance Statement 2020/21

We acknowledge as the members of:

Folkestone Town Council

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	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:

and recorded as minute reference:

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

Chairman

Clerk

www.folkestone-tc.gov.uk

Section 2 – Accounting Statements 2020/21 for

Folkestone Town Council

	Year ending		Notes and guidance
	31 March 2020 £	31 March 2021 £	
1. Balances brought forward	565,527	495,594	<i>Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.</i>
2. (+) Precept or Rates and Levies	807,860	873,950	<i>Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.</i>
3. (+) Total other receipts	183,149	358,555	<i>Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.</i>
4. (-) Staff costs	373,785	401,950	<i>Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.</i>
5. (-) Loan interest/capital repayments	39,302	39,301	<i>Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).</i>
6. (-) All other payments	647,855	429,111	<i>Total expenditure or payments as recorded in the cash-book less staff costs (line 4) and loan interest/capital repayments (line 5).</i>
7. (=) Balances carried forward	495,594	857,737	<i>Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).</i>
8. Total value of cash and short term investments	514,468	881,820	<i>The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.</i>
9. Total fixed assets plus long term investments and assets	3,366,055	3,421,386	<i>The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.</i>
10. Total borrowings	332,171	308,666	<i>The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).</i>
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	<i>The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.</i>
		✓	<i>N.B. The figures in the accounting statements above do not include any Trust transactions.</i>

I certify that for the year ended 31 March 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

Date

I confirm that these Accounting Statements were approved by this authority on this date:

as recorded in minute reference:

Signed by Chairman of the meeting where the Accounting Statements were approved

Section 3 – External Auditor's Report and Certificate 2020/21

In respect of

Folkestone Town Council

1 Respective responsibilities of the auditor and the authority

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

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

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

- summarises the accounting records for the year ended 31 March 2021; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

2 External auditor's limited assurance opinion 2020/21

(Except for the matters reported below)* on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met. (*delete as appropriate).

(continue on a separate sheet if required)

Other matters not affecting our opinion which we draw to the attention of the authority:

(continue on a separate sheet if required)

3 External auditor certificate 2020/21

We certify/do not certify* that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2021.

*We do not certify completion because:

External Auditor Name

External Auditor Signature

Date

FOLKESTONE TOWN COUNCIL

Statement of Accounts

2020 - 2021

Period 1 April 2020 – 31 March 2021

Folkestone Town Council

Page No(s).	Index
2	Council Information
3	Internal Auditor's Report
4 and 5	Income and Expenditure Account
6 and 7	Balance Sheet
7	Signatories
8 to 12	Notes to the Accounts

Folkestone Town Council

Council Information (2020/21)

Town Mayor

Cllr M Keutenius

Councillors

Cllr A Akuffo-Kelly

Cllr P Bingham

Cllr A Berry

Cllr R Field

Cllr P Gane

Cllr J Graham

Cllr D Horton

Cllr D Jeffrey

Cllr N Keen

Cllr M Lawes

Cllr C McConville

Cllr J Meade

Cllr T Prater

Cllr B Walker

Cllr R Wallace

Cllr R West

One position vacant

Clerk to the Council

Jennifer Childs

Auditors

PKF Littlejohn LLP

Internal Auditor

David Buckett

Folkestone Town Council


Internal Auditor's Report to the Council on the Accounts for the Year ended 31 March 2021

I certify that I have examined the Statement of Accounts and associated accounting notes on pages 4 to 12 of Folkestone Town Council, which have been prepared by the Responsible Financial Officer in accordance with the Accounts and Audit (England) Regulations 2011 and CIPFA Accounting Guidance Notes for Local Councils.

I have carried out an examination in accordance with relevant auditing standards, and my agreed audit programme. I have had due regard to the internal audit obligations and responsibilities as set out in the council's annual return.

The audit included examination, on a test basis, of evidence relevant to the amounts and disclosures in the Statement of Accounts, sufficient to give reasonable assurance that the financial statements are free from material misstatement.

In my opinion, the Statements of Accounts present fairly the financial position of Folkestone Town Council as at 31st March 2021 and its Income and Expenditure for the year then ended in accordance with the requirements of the Accounts and Audit (England) Regulations 2011 and CIPFA Accounting Guidance Notes for Local Councils.

Signature: 

**D.J.Buckett CPFA, DMS
1 Champion Court Cottages
Sharsted Hill
Newnham
Sittingbourne
Kent
ME9 OJX**

Date: 3rd June 2021

**Income and Expenditure Account
for the Period ended 31 March 2021**

	2020 / 21	Notes	2019 / 20
INCOME	£		£
Precept on District Council	873,950		807,860
Bank and Investment Interest	111		2,477
Allotments	10,117		9,800
Rental Receipts	3,700		16,522
Funding for Museum/Heritage	119,253		105,802
Museum/Heritage Sales	128		1,751
Play Areas	100,000		0
Neighbourhood Fund	22,011		0
Community Transport	71,303		0
Other	31,932		46,797
	-----		-----
	1,232,505		991,009
	-----		-----
 EXPENDITURE			
Employees/Administration	432,928	4 and 6	418,546
Democratic Costs	75	13	40,255
Civic and Ceremonial	13,951		19,532
Premises	89,224	3	103,483
Services	277,880	2 and 5	344,923
Fees	2,888		34,567
Museum/Heritage	53,416		99,636
	-----		-----
	870,362		1,060,942
	-----		-----

GENERAL FUND

	2020 / 21		2019 / 20
	£		£
Balance as at 1 April	114,664		130,081
Add: Total Income	1,232,505		991,009
Deduct: Total Expenditure	870,362		1,060,942
	<u>476,807</u>		<u>60,148</u>
Transfer (to)/from Reserves and Provisions:			
New Services	5,553	23,538	
TKL Balancing Pond Maintenance	0	40	
Tree Planting	0	7,391	
Museum/Heritage	(68,940)	(30,220)	
Bus Shelters	5,145	(9,000)	
Ward Grants	(4,892)	(8,406)	
Town Grants	(6,394)	1,604	
FTC Elections	(10,200)	18,834	
Armed Forces' Day/Air Show	0	12,035	
Salt Bins	145	0	
Flowerbeds & Planters	0	4	
Leas Flowerbeds	0	2,549	
Play Areas	(100,000)	0	
CCTV Maintenance	19,657	33,813	
Christmas Events (Cheriton)	139	1,364	
Neighbourhood Fund	(22,011)	0	
Lunches for Children	(1,030)	0	
Christmas Gifts for Children	(1,187)	0	
Community Transport	(71,303)	0	
Outstanding Invoices	31	970	54,516
	(255,287)		
General Reserve Balance at 31 March	<u>221,520</u>		<u>114,664</u>

The notes on Pages 8 to 12 form part of these accounts.

Balance Sheet as at 31 March 2021

Fixed Assets	Notes	2020 / 21		2019 / 20	
		£	£	£	£
Freehold Land and Buildings		700,000		700,000	
Vehicles and Equipment	1(ii)	385,481		330,151	
Community Assets	7	2,335,905	3,421,386	2,335,904	3,366,055
			<u>3,421,386</u>		<u>3,366,055</u>
Current Assets					
Sundry Debtors	1(iv)	0		0	
HM Revenue & Customs - VAT		25,066		27,172	
Prepayments		0		0	
Stock Balance (Museum Merchandise)		913		942	
Current Bank Account		129,158		11,368	
Deposit Bank Account		250,000		0	
Short Term Investments		500,000		500,000	
Receipts Account		1,000		1,000	
Petty Cash		62		500	
Museum Shop Float		100		100	
Corporate Credit Card		1,500	907,799	1,500	542,582
			<u>857,737</u>		<u>495,594</u>
Current Liabilities					
Sundry Creditors	1(iv)	4,672		22,420	
Receipts in Advance	9	8,051		4,419	
Accruals	9	37,339	50,062	20,149	46,988
			<u>857,737</u>		<u>495,594</u>
Net Current Assets			<u>857,737</u>		<u>495,594</u>
Long Term Liabilities					
PWLB Outstanding Loan for Office Building	1(v)	308,666	308,666	332,171	332,171
			<u>3,970,457</u>		<u>3,529,478</u>
Net Assets			<u>3,970,457</u>		<u>3,529,478</u>

	Notes	2020 / 21 £	2019 / 20 £
Represented by:			
Fixed Asset Restatement Account	7	3,421,386	3,366,055
PWLB Outstanding Loan for Office Building		(308,666)	(332,171)
Capital Receipts Reserve	1(iii)	0	0
Earmarked Reserves and Provisions: -	1(vii)		
New Services		93,687	99,240
Museum/Heritage		289,504	220,564
Tourism		4,735	4,735
Bus Shelters		3,855	9,000
Ward Grants		14,684	9,792
Town Grants		7,490	1,096
FTC Elections		10,200	0
Salt Bins		6,313	6,313
Anti-Litter Campaign		2,000	2,000
Play Areas		100,000	0
CCTV Maintenance		0	19,657
Christmas Events (Cheriton)		3,228	3,367
Neighbourhood Fund		22,011	0
Lunches for Children		1,030	0
Christmas Gifts for Children		1,187	0
Community Transport		71,303	0
Outstanding Invoices		5,135	5,166
General Reserve		221,520	114,664
		<u>3,970,457</u>	<u>3,529,478</u>

The statement of accounts represents fairly the financial position of the Council as at 31 March 2021 and reflects its Income and Expenditure for the year.



.....
Town Mayor

.....
Jennifer Childs MiLCM, IIMC, CiLCA
Responsible Financial Officer

Date:.....

08/06/2021
Date:.....

Notes to the Accounts

31 March 2021

1. Statement of Accounting Policies

These accounts cover the Town Council's full year of operations for the period 1st April 2020 – 31st March 2021.

i) Accounting Convention

The accounts have been prepared in accordance with the Accounting Guidance Notes for Local Councils (the Guide) issued by The Chartered Institute of Public Finance and Accountancy (CIPFA) as applicable to a medium sized local Council. Consequently, the latest accounting policies, as set out in the Guide and, so far as they apply to this Council, have been adopted for the Council's Statement of Accounts.

ii) Fixed Assets

Assets in the balance sheet for 2020/21 are valued on the following basis:

Town Hall	purchase price (June 2011)
Statutory Allotments	actual cost
Parks Land	actual cost
Civic Regalia	professional valuation 2006
Statue and Memorial	insurance valuation 2013
Folkestone Collection	insurance valuation 2013
Other	purchase price where known (or estimated value)

iii) Capital Receipts

Capital receipts arising from the disposal of fixed assets are taken to the Capital Receipts Reserve until such time as they are used to finance new capital expenditure.

iv) Debtors and Creditors

The revenue accounts of the Council are maintained on an accruals basis in accordance with the guide. That is, sums due to or from the Council during the year are included whether or not the cash has actually been received or paid in the year.

v) PWLB Loan

In March 2011 the Council borrowed £500,000 from the Public Works Loans Board for the purchase of permanent office accommodation. Repayments of £39,301 (including interest) were made in 2020/21. The current outstanding capital amount is £308,666.

vi) Leases

The Council has no commitments under finance leases. Rentals payable under operating leases or contract hire agreements are charged to revenue on an accruals basis.

vii) Reserves and Provisions

The Council has arranged for appropriate reserves and provisions as shown below: -

General Reserve	£221,520	For unforeseen expenditure and emergencies
New Services	£93,687	Sums set aside for Folkestone Town Council initiatives and services transferred from the District Council
Tourism	£4,735	For the development of a tourism service
Bus Shelters	£3,855	For the provision of bus shelters
Museum/Heritage	£289,504	Lottery funding, internal and external contributions towards the development of a Museum/Heritage Centre
Ward Grants	£14,684	For ward grants awarded by individual Councillors
Town Grants	£7,490	For town grants awarded by the Grants Committee
Town Council Elections	£10,200	For elections and by-elections
Salt Bins	£6,168	For additional salt bins in Folkestone
Anti-Litter Campaign	£2,000	For an Anti-Litter Educational Campaign
Play Areas	£100,000	For the maintenance of play areas
Christmas Events (Cheriton)	£3,228	For the provision of Christmas events in Cheriton
Neighbourhood Fund	£22,011	For the provision of infrastructure required to support growth within the town
Lunches for Children	£1,030	For the provision of lunches for children
Christmas Gifts for Children	£1,187	For the provision of Christmas gifts for children
Community Transport	£71,303	For the provision of community transport to/from the Town Hall
Outstanding Invoices	£5,135	Provision for late invoices relating to works and services carried out prior to April 2020

viii) Investment Income

Investment income/bank interest for 2020/21 was £111.

2. Agency Work

During the year, the Council undertook no agency work on behalf of other authorities.

During the year, the Council commissioned no agency work to be performed by other authorities.

3. Tenancies

During the year the following tenancies were held:

Council as landlord

Tenant	Property	Rent p.a.	Repairing/ Non-Repairing
Silver Screen Cinema	The Town Hall	£12,000 (waived in 2020/21 except for insurance/maintenance contribution)	Non-Repairing

Council as tenant

Landlord	Property	Rent p.a.	Repairing/ Non-Repairing
N/A			

4. Publicity

Publicity	2020/21	2019/20
	£	£
Recruitment Advertising	0	648
Publicity	39	1,241
Other	0	0
	<hr/>	<hr/>
	39	1,889
	<hr/>	<hr/>

5. S.137 Expenditure

Section 137 of the Local Government Act 1972 (as amended) enables the Council to spend up to the product of £8.32 per head on the electoral roll in any one year for the benefit of the people in its area on activities or projects not specifically authorised by other powers.

	2020/21
	£
The theoretical amount available for this purpose was (35,536 x £8.32)	<u>295,660</u>

The following expenditure was incurred under this power during the year:

Type of Expenditure	Payee	Description	Amount
General Expenditure	Various	Lunches for Children	£4,795
General Expenditure	Various	Christmas Gifts for Children	£713
Ward Grant	MHA Live At Home	Members Newsletter	£50
Town Grant	Hi Kent	Residents' Lip Reading Classes	£600
TOTAL			£6,158

6. Pensions

For the year of account, the Council's contributions equal 17.4% of employees' pensionable pay. These contributions are likely to change in future years as a result of the Actuary's regular pension reviews and any Government changes.

The employers' pension costs are charged to the Kent Superannuation Fund accounts in respect of qualifying employees and are equal to the contributions paid to the scheme for these employees.

Contributions to the Kent Superannuation Fund are determined by the fund's actuary and are set to meet 100% of the liabilities of that fund, in accordance with relevant Government regulations.

7. Fixed Assets

At 31 March the following assets were held:

	2021		2020	
	£		£	
<u>Freehold Land and Buildings</u>				
The Old Town Hall, Folkestone	<u>700,000</u>	700,000	<u>700,000</u>	700,000
<u>Vehicles and Equipment</u>				
Computer Equipment	19,790		19,540	
Office Machinery	2,745		1,595	
Office Furniture	52,355		48,925	
Furniture (Council Chambers)	28,300		28,300	
Screen/Sound Equipment (Council Chambers)	24,900		24,900	
Street Furniture	26,750		26,750	
Bus Shelters	22,500		9,000	
Speed Watch Equipment	2,251		2,251	
CCTV Equipment	129,250		99,250	
Christmas Lights	65,870		58,870	
Other	<u>10,770</u>	385,481	<u>10,770</u>	330,151
<u>Community Assets</u>				
Allotment Land (2 sites)	2		2	
Parks Land (8 sites)	1		0	
Council Regalia and Artefacts	117,596		117,596	
William Harvey Statue	124,833		124,833	
War Memorial	59,073		59,073	
Gurkha Memorial	30,000		30,000	
Power Columns x 11 (Cheriton High Street)	4,400		4,400	
The Folkestone Collection (Museum/Heritage)	<u>2,000,000</u>	2,335,905	<u>2,000,000</u>	2,335,904
TOTAL FIXED ASSETS		3,421,386		3,366,055

The basis of valuation of the above assets is set out in the Accounting Policies (Note 1). The contra-entry is reflected in a Fixed Asset Restatement Account.

8. Fixed Assets - Disposals

During the year there were no disposals of fixed assets.

9. Creditors and accrued expenses

	2020/21
	£
Trade Creditors	4,672
Deferred Income	8,051
Accruals	37,339

10. Charitable Funds

The Town Mayor of Folkestone raises funds for charitable purposes during his/her term of office. The funds are held by the Council in separate accounts and disbursed at the Mayor's discretion.

	Balance at 01/04/2020	Contribution to fund	Payments	Balance at 31/03/2021
	£	£	£	£
Mayoress's Charitable Funds	1,646	972	2,080	538

	Balance at 01/04/2020	Contribution to fund	Payments	Balance at 31/03/2021
	£	£	£	£
Mayor's Christmas Fund	17,941	6,954	6,750	18,145

11. Capital Commitments

The Council was not committed to any capital expenditure at 31 March 2021.

12. Contingent Liabilities

The Council is not aware of any other contingent liabilities at the date of these accounts.

13. Democratic Costs

Democratic costs for 2020/21 included £75 in respect of external training for Councillors.

**Bank Reconciliation Statement as at 31/03/2021
for Cashbook 1 - Current Bank Account**

<u>Bank Statement Account Name (s)</u>	<u>Statement Date</u>	<u>Page No</u>	<u>Balances</u>
HSBC Current Account	31/03/2021	430	129,158.49
			<hr/> 129,158.49
<u>Unpresented Cheques (Minus)</u>		<u>Amount</u>	
		0.00	
			<hr/> 0.00
			129,158.49
<u>Receipts not Banked/Cleared (Plus)</u>			
		0.00	
			<hr/> 0.00
			129,158.49
		Balance per Cash Book is :-	129,158.49
		Difference is :-	0.00