
Bodmin Town Council

Financial Statements for the Year
Ended 31 March 2012



21 June 2012

Prepared by
Anne Banks, FMAAT, MIAB
Responsible Finance Officer



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Further information on the accounts can be obtained from:

Bodmin Town Council Offices
Shire House
Mount Folly Square
Bodmin
PL31 2DQ

These accounts should be read in conjunction with the Annual Report.

Please note that due to rounding, there may be an occasional apparent difference within these accounts.

Interested members of the public have a statutory right to inspect the Accounts each year before the audit is completed.

The availability of the Accounts for inspection is advertised at the appropriate time in the on the Council's notice boards and the Council's website
www.bodmin.gov.uk

Annual Report

The Members of the Council under each ward with their responsibilities are detailed below;

St Mary's Ward

CR Bell

AJ Coppin

Deputy Mayor and Chairman of Planning

MJ Griffiths

JH Hartill

P Kerridge

Chairman of Promotions

JM Lyne

KW Stubbs

Mayor

HG Vanderwolfe

Chairman of Policy

St Petroc's Ward

ET Denholm OBE DL

M Denholm

ME Dominey

LGJ Kennedy

Chairman of Properties

RJ Micek

R Solomons

Chairman of Finance, Staffing and Performance Management

LA Spear

NJR Walter

Further information on the roles and responsibilities of Councillors and their representation on various committees and outside bodies are available on the Council's website www.bodmin.gov.uk

These Accounts have been prepared in accordance with the proper accounting practices issued by the Accounting Standards Board and the Governance and Accountability for Local Councils: A Practitioners' Guide 2010 (England).

The Council's main financial statements for the year ended 31 March 2012 are set out on pages 15 to 16. They consist of:

- The Income and Expenditure Account – This statement is fundamental to the understanding of the Council's activities, as it reports the net cost for the year for all its functions and how the cost has been financed.
- The Balance Sheet – Sets out the financial position at the year ending 31 March 2012 showing assets and liabilities and the balances of Reserves.

The Council's principal activities are the provision of the following services;

- Visitor Information Centre and Charlotte Dymond/Courtroom Experience
- Shire House Complex and Suite
- Public Conveniences
- Cemeteries
- Town Centre CCTV
- Parks and Open Spaces
- Beacon Local Nature Reserve

Although it should be noted that this is not an exhaustive list of services provided by the Council and further information on the Council's properties and services can be found on the Council's website www.bodmin.gov.uk

The Council generates income from car parks and by renting properties and recreational facilities throughout the town, Non-Governmental grants and from the Precept. The income from services is offset against the cost of providing services and the balance is funded from a Precept. The Bodmin Town Council Precept for 2011/12 was £985,920. The Precept is charged to the town's Council taxpayers to fund the services and facilities provided by the Council. It is collected by Cornwall Council as part of the Council Tax.

The Council has an Agency Agreement with Cornwall Council for the grass cutting of roadside verges and maintenance of some road side flower beds in the town. The Council is only paid for 4 cuts per year under this contract, but supplements this agreement by carrying out a number of additional cuts per year.

The Council also has a Service Level Agreement with Cornwall Council for grass cutting and horticulture work on some housing estates in the town.

	2011/12	2010/11
Grass Cutting & Flowerbed Maintenance		
Cornwall Council – Highways	9,226	11,995
Cornwall Council – Estates	27,548	26,185
TOTAL	36,774	38,180

The town centre CCTV system is wholly funded by Bodmin Town Council, and supports the work of Devon and Cornwall Police in providing community safety in the town centre. The cost of providing this service is detailed below:

	2011/12	2010/11
Total Cost of running the CCTV system	15,934	11,876

For more information please see the Bodmin Town Council CCTV Annual Report and the CCTV Code of Practice which are available on the Council's website.

FINANCIAL SUMMARY 2011/12

The following shows a year on year comparison of net expenditure for the various service departments.

	2010/11 Actual £	2011/12 Actual £	Variance (inc)/Dec %
Democratic Representation	430,724	414,306	4
Investment Income	(26,408)	(18,448)	43
Elections & Grants	4,530	3,875	17
Shire Hall	40,631	39,111	4
Public Rooms	12,714	8,502	50
Cultural & Heritage	25,282	5,500	360
Parks & Open Spaces	216,740	161,515	34
Visitor Information Centres	66,545	64,006	4
Cemetery	14,489	9,009	63
Public Conveniences	36,714	39,084	(6)
CCTV	11,876	15,934	(25)
Car Parks	(100,713)	(105,808)	(5)
Shire House Complex	24,710	20,564	20

Explanations for the significant variances are detailed below:

Investment Income - There has been a significant decrease in the investment income due to the overall state of the economic climate. At the annual investment review, the Council's HSBC Investment Manager explained that the return would continue to fall over the next couple of years and that the Council should consider moving to equities. However, after consideration the Council considered that the rate of return on the Fixed Income Scheme (investment grade bonds) was considerably higher than could be achieved with the Money Master, and this type of investment fitted well with the Council's risk appetite, when looking at risk versus reward, whilst also considering security.

Grants - In 2010/11 there were unexpected costs associated with the repair of the chimney at the CAB offices, at the back of the Shire Hall. The Council also gave a grant to the 'Lower Midway Road Neighbourhood Watch Association' to assist with the cost of Public Liability Insurance.

Public Rooms – This variance is due to the slight increase in bookings which resulted in an increase in income, and the fact that in 2010/11 there were works carried out to a value of £3,070 for repairing the wall next to the fire escape of replacing some missing roof slates.

Cultural & Heritage – In 2010/11 there were some items of one off expenditure. The roof was replaced on Mary Kendall House at a cost of £12,431.50, Bodmin Town Museum purchased an A0 plan chest and new lighting tracking in rooms 2 and 3, and Priory Grandstand had some electrical safety works carried out. Plus in 2011/12 the rebuild of Narisa Hall was completed following an arson attack. Leading to a huge increase in income and expenditure for the insurance compensation received and the cost of the project.

Parks and Open Spaces – The Council received £20,000 Section 106 money from the LIDL development. It was agreed that this should be spent on the following projects;

- Improvements to the pedestrian link from Priory Car Park to Priory Road
- Town centre signage; and
- Capital funding for town centre CCTV system

Also in 2010/11 the Council purchased machinery and carried out the following at the skate park, a teen shelter, floodlights and fencing was erected. There was also the large unexpected cost of removing the diseased rhododendrons at Victoria Square following an order from DEFRA to assist with the control and spread of Phytophthora.

Cemeteries – This was due to a decrease in the recharge of salaries as the sexton had been required to do alternative jobs during 2011/12. Also in 2010/11 there was additional expenditure due to the removal of a storm damaged pine tree, and the purchase of a replacement oak tree.

CCTV - In 2010/11 the Council spent some money on repositioning and connecting the electric supply for the CCTV cameras, due to a change of use in building. This was done to ensure that the Council continues to provide CCTV coverage of the Town.

Shire House Complex – In 2010/11 the temporary caretaker was replaced with a permanent member of staff as from January 2011. This reduced the agency staff costs, and in 2011/12 increased the employers' pension contributions. Also in 2010/11 the Council purchased new tables and chairs for the Shire House Suite, and also replaced the RCD board and had other electrical safety work carried out.

FUTURE DEVELOPMENTS

The Council has agreed key targets for the 2012/13, as follows:

- Install new CCTV system;
- Upgrade fencing at Children's Corner Priory Park (phased work);
- Complete post project landscaping (a) outside new Narisa Hall, and (b) at the newly created Rhind Street Car Park;
- Commencement of 5 year management plan for the boundary hedge at Hillside Park – finalise plan and phase work;
- Install Polytunnel at Poorsfield for improved sustainability in providing floral displays in the town's parks and open spaces – represented by a reduction in the amount of annual bedding plants purchased of at least 15% for the 2013 summer season, 20% for 2014, and 25% for 2015 (based on 2012 figures);
- Town Centre signage including improved signage from Camel Trail into town centre; signposting the Piazza Development; and signposting the Beacon LNR from the Mount Folly / VIC area;
- Reaccreditation of Quality Council Status – current accreditation expires on 19 January 2013 and reaccreditation required by 19 April 2013;

- Shire House Roof – complete survey and let contract for refurbishment of the Shire House Roof;
- Finalise the new lease(s) for the grandstand and pitches with the Football Club;
- Bodmin Masterplan – to consider in detail and, if appropriate, adopt, the Bodmin Masterplan.

In addition to these key targets, the Council has set a number of additional targets and objectives. For details of these and additional information on the targets for 2012/13 and the performance against targets for 2011/12, please see the Council's Annual Report for 2011/12 which is available from the Council's Office and is uploaded onto the Council's website www.bodmin.gov.uk.

Signed

Councillor K Stubbs
Mayor

21 June 2012

Councillor R Solomons
Chairman of Finance Staffing &
Performance Management
Committee
21 June 2012

1. Scope of Responsibility

Bodmin Town 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.

In so far as it is appropriate and proportionate for this tier of local government, the Council has worked within the CIPFA/SOLACE Governance Framework Core Principles. The six core principles identified in the Framework are:

- Focussing on the purpose of the Authority and on outcomes for the Community and creating and implementing a vision for the local area – the Council's Vision and Key Objectives are set out in the Annual Report and on the Council's website www.bodmin.gov.uk ;
- Members and Officers working together to achieve a common purpose with clearly defined functions and roles;
- Promoting values for the Authority and demonstrating the values of good governance through upholding high standard of conduct and behaviour;
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
- Developing the capacity and capability of Members and Officers to be effective – the Council has a proactive attitude to training, promoting training for Councillor and Officers to ensure that its business is conducted in the most efficient and effective manner; and
- Engaging with local people and other stakeholders and professionals where appropriate, to ensure robust accountability.

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 is recognised that 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 vision, key aims and objectives and policies, 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 ending 31 March 2012, and up to the date of approval of the Statement of Accounts and Annual Report.

3. The Internal Control Environment

The key elements of the internal control environment are:

a. Establishing and monitoring the achievement of the Council's aims and objectives – The Council's objectives are set out in the Annual Report which is open to public scrutiny on the Council's website www.bodmin.gov.uk . This is a guide to what the Council is trying to achieve. It sets out what we intend to do about achieving our targets for the coming year. Monitoring is carried out through a system of performance management and regular reporting to Council and Committees, and evidenced, where appropriate, by a series of Performance Indicators (see para g below).

b. The facilitation of policy and decision-making - The Council meets on a bi-monthly basis defining corporate policy and strategic decisions. In addition to the full Council Meetings, the Council has five standing committees to ensure the effective management of its business:

- Finance, Staffing and Performance Management (FS&PM);
- Planning;
- Policy;
- Promotions; and
- Properties.

These standing committees make recommendations to Council. The only exception being the Planning Committee, which has delegated powers to make representation on behalf of the Council on matters relating to development control, forward planning, highways and transportation matters; and the FS&PM Committee which has delegated authority to approve the schedule of monthly accounts in months where there is not a Full Council meeting.

The Council operates within a framework of Standing Orders and Financial Regulations to ensure that decision making is efficient, transparent and accountable. The Council reviewed its Standing Orders and Financial Regulations during 2008, to ensure that they meet the requirements of new legislation and current best practice. Copies of these documents can be viewed on the Council's website www.bodmin.gov.uk . It is anticipated that these documents will require updating when dedicated guidance on the implementation of the Localism Act 2011 becomes available.

c. Ensuring compliance with established policies, procedures, laws and regulations – Councillor training and qualified officers including a Town Clerk and a Responsible Finance Officer, who acts as the Council's Section 151 Officer, ensure that proper arrangements are in place to make certain that the Council complies with relevant procedures, laws and regulations. The Town Clerk, Responsible Finance Officer and staff in the Accounts Department actively participate in programmes of continuing professional development (CPD) schemes operated by their respective professional bodies.

The Council has adopted the Local Authorities (Model Code of Conduct) Order 2007 [SI 2007/1159] and all Members of Council have made declarations in accordance with the Code and completed Notifications of Financial and Other interests, which are held by the Monitoring Officer at Cornwall Council and held

on deposit in the Town Council Offices. This ethical framework is based on the ten general principles of selflessness, honesty and integrity, objectivity, accountability, openness, personal judgement, respect for others, duty to uphold the law, stewardship and leadership, and helps to ensure that the Council's business is conducted to the highest standards of governance. All Councillors and the Town Clerk have received training on the Revised Code of Conduct. The Council will be working with the Monitoring Officer, Cornwall Council, and Cornwall Association of Local Councils to implement a revised ethical framework and standards regime for Councillors following changes outlined in the Localism Act 2011, which included the abolition of Standards for England the national body that currently oversees councillor standards.

d. Risk Management - The Council is committed to ensure that effective risk management is an integral part of all of the Council's activities. This contributes to the successful management and delivery of the Council's corporate objectives and supports its strategic direction through informed decision-making. The Council adopted a Risk Management Strategy in January 2005. This document is regularly reviewed to ensure that it remains fit for purpose and the latest version can be viewed on the Council's website www.bodmin.gov.uk.

Bodmin Town Council recognises that, in addition to its statutory duties, there are cogent moral and economic reasons to take all practicable and reasonable measures to safeguard people and the natural and built environments.

Whilst it is acknowledged that risk cannot be totally eliminated it is accepted that much can be done to reduce the extent of injury, damage and financial loss. Therefore, Bodmin Town Council is committed to identifying, reducing or eliminating the risks to both people and the natural and built environments.

The Council will carry insurance in such amounts and in respect of such perils as will provide protection against significant losses, where insurance is required by law or contract and in other circumstances where risks are insurable and premiums cost-effective.

The Council has sought to embed effective risk management into its culture, processes and structure to ensure that opportunities are maximised. The Council encourages managers to identify, assess and manage risks, and learn to accept the right risks. During the course of 2010/11 the Council carried out further work on its Risk Register and the associated action plans to mitigate, and where possible alleviate, identified risks. The Council increased the priority of this work and increased the amount of officer time devoted to working on the risk register. A training seminar on Risk Management and Treasury Management was held for Councillors and Senior Managers in March 2010, this was facilitated by a Director from the Chartered Institute of Public Finance Accounting (CIPFA). The dedicated Risk Management Officer studied for an International Certificate in Risk Management.

The Town Clerk reports to the FS&PM Committee annually on the progress on risk management throughout the year and provides a summary of the Risk Register and control assurance matters.

e. The financial management of the Council and the reporting of financial management - Financial Regulations and Standing Orders are an integral part of

the Council's Constitution and the means by which the Responsible Finance Officer (the Council's Section 151 Officer) and the Town Clerk lay down the internal controls that must be complied with to ensure the proper administration of the Council's financial affairs. Internal Audit reviews these controls and proposes recommendations as appropriate. The Council adopted an Anti-Fraud and Corruption Policy and a Confidential Reporting (Whistle-blowing) Code in June 2007, a copy of which is posted on the Council's website www.bodmin.gov.uk.

The Council is under a statutory obligation to produce an Annual Statement of Accounts. This reports on the Council's spending on an annual basis, and also supports the Council's stewardship responsibilities.

Budget monitoring is carried out on a regular basis within Departments, with the Responsible Finance Officer reporting to the Finance Staffing and General Purposes Committee.

f. Ensuring the economical, effective and efficient use of resources, and for securing continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

The Council is committed to the highest standards of care and control over the assets and resources at its disposal and to ensure that these are protected from the risk of loss, damage or misuse. By identifying, analysing and managing any risk or threat to the organisation or its resources, the Council can ensure that they are used in the most efficient, effective and economic way and deliver services in a way that represents the best value for money achievable.

To meet this commitment the Council has:

- established and maintained a robust system for identifying and evaluating all significant risks;
- established and maintained effective systems of internal control to manage perceived risks, safeguard public funds and to ensure compliance with legislation and regulations;
- established and maintained effective systems and processes to ensure that resources are used in economic, effective and efficient way and deliver Best Value.
- established a programme of Performance Management Reviews of its services and facilities to ensure that these services are delivered effectively, efficiently and economically whilst being sensitive to the environment. This is facilitated by use of a comprehensive Review Framework (Toolkit); and
- established a Procurement Strategy

g. The performance management of the Council and the reporting of performance management – the Annual Report, provides a strategic overview of the Council's Vision and Key Objectives. The Annual Report sets out the targets for the coming year and reviews performance against targets for the previous year. The Annual Report is published on the Council's Website, www.bodmin.gov.uk, and copies are available from the Council Offices.

There are no nationally prescribed performance indicators for this tier of local

government and the statutory duty of Best Value was disapplied in April 2008. However, the Town Clerk is working with clerks in the Larger Local Councils Network to develop a suite of performance metrics to demonstrate ongoing year on year performance of the council's key services and assist with benchmarking and encouraging best practice between local councils of similar size.

4. Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of the system of internal control. This review is informed by the work of the internal auditors, and the managers of the Council who have responsibility for the development and maintenance of the internal control environment, and also by comments made by the external auditors and other review agencies and inspectorates.

The Internal Audit service is carried out by specialist officer of Cornwall Council and is designed to assess the effectiveness and appropriateness of the Council's internal control systems and provide comprehensive and objective scrutiny of the Council's finances and key systems. The results of each audit are discussed with the Town Clerk and Responsible Finance Officer and a final report/executive summary showing the agreed action. Follow up audit work is undertaken to ensure compliance. The Internal Auditors carry out their work in accordance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Internal Audit Standards.

Internal Audit reports and recommendations are considered by the Finance Staffing and Performance Management Committee and action plans formulated to deal with any points raised.

During 2011/12 the Internal Auditor carried out work in the following areas:

- Verifying the robustness of the main financial systems;
- Establishing whether suitable controls for purchase card transactions are in place; and
- Examination of the robustness of the Parks Department stock control processes.

In the past, the Internal Auditor has raised concerns regarding the lack of separation of duties, particularly in relation to investments and payments to suppliers. Whilst acknowledging the potential risk the Council recognises that this is a problem for all small authorities and is satisfied that reasonable and appropriate checks and balances have been put in place to minimise the risk as far as possible given the size of the authority.

Other explicit review/assurance mechanisms – The Audit Commission carries out an annual audit of the Council's Annual Statement of Accounts.

5. Conclusions

The Council received a clear (unqualified) external audit from the Audit Commission on its Statement of Accounts for 2010/11, which means that in all significant respects, Bodmin Town Council made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2011.

From the work carried out by Internal Audit for 2011/12, and the external reports of the Audit Commission referred to above, the Council is of the opinion that the key systems are operating soundly and that there are no fundamental breakdown of controls resulting in material discrepancies. Satisfactory arrangements were implemented to ensure the effective, efficient and economic operation of the Council's financial affairs.

However, it is recognised that no system of control can provide absolute assurance against material misstatement or loss, nor can Internal Audit give that assurance; this statement is intended to provide reasonable assurance. There is an ongoing process for identifying, evaluating and managing key risks, and these are reflected in the Risk Management Strategy and Risk Register and reported to the Council during the year.

6. Significant Internal Control Issues

It is recognised that the internal financial control systems can always be improved and this section outlines any significant areas where improvements are being developed or action is planned for in 2012/13.

The main issues associated with internal control and corporate governance that the Council will concentrate on developing during the current financial year are:

- Reviewing policies to ensure that they reflect current legislation, Government Guidance and best practice, particularly the changes associated with the implementation of the various parts of the Localism Act 2011 and associated guidance from the Department of Communities and Local Government;
- Continuing with its commitment to training and development of Members and staff; and
- Continuing work to develop the Risk Register and action plans to minimise or ameliorate significant risks.

Signed

Councillor K Stubbs
Mayor
21 June 2012

Paul O'Callaghan BEM FILCM
Town Clerk
21 June 2012

The Statement of Responsibilities for the Accounts

The Town Councils Responsibilities:

The Town Council is required:

- To make arrangements for the proper administration of its financial affairs and to secure that one of its officers has responsibility for the administration of those affairs. In this Council, the officer is the Responsible Finance Officer (RFO).
- To manage its affairs to secure economic, efficient and effective use of resources and to safeguard its assets.
- Approve the Annual Return.

The Responsible Financial Officer's Responsibilities:

The RFO is responsible for the preparation of the Council's Statements of Accounts in accordance with proper practices set out in the Governance and Accountability for Local Councils: A Practitioners Guide 2010 (England).

The RFO has:

- Determined a suitable accounting system and the form of the accounts and supporting accounting records;
- Ensured that the accounting systems have been observed and that the accounts and supporting records are maintained in accordance with proper practices and were kept up-to-date;
- Ensured that the accounting records are sufficient to show the Councils transactions to comply with Account and Audit Regulations – in particular contain – all monies received and expended, records of assets and liabilities and grants; and
- Taken reasonable steps for the prevention and detection of fraud and other irregularities

Certificate of the Responsible Financial Officer

The Annual Return and Financial Statements fairly present the financial position of Bodmin Town Council for the year ended 31 March 2012.

Signed

Anne Banks, FMAAT, MIAB
Responsible Finance Officer

21 June 2012

Income and Expenditure Account

This statement is fundamental to the understanding of the Council's activities, in that it reports the net cost for the year of all the functions for which the council is responsible, and demonstrates how that cost has been financed from general government grants and precepts. It brings together expenditure and income relating to all of the councils functions in three distinct sections.

- The first section provides information on the type of income received by the Council.
- The second section provides information on the breakdown of expenditure between Direct Services and Democratic, Management and Civic Costs.

2010/11		2011/12
	<u>Income</u>	
934,400	Precept	985,920
46,112	Grants Received	22,633
	Rental Income, interest and investment	
41,279	income	30,690
264,382	Charges made for Services	249,698
44,185	Other income or contributions	231,053
1,330,358		1,519,994
	<u>Expenditure</u>	
	Direct Service Costs:	
327,161	Salaries & Wages	329,478
390,328	Other direct service Costs	264,804
	Democratic, Management and Civic Costs	
315,532	Salaries & Wages	318,772
	Other Democratic, Management and Civic	
120,904	Costs	97,292
1,153,925		1,010,346
	Exceptional Items	180,880
176,433	Net Surplus or Deficit for Year	328,768

The exception item relates to the expenditure for the rebuild of Narisa Hall following an arson attack on 11 December 2009.

Balance Sheet

	Notes	31 March 2012	31 March 2011
CURRENT ASSETS			
Stocks	6	6,354	5,952
Debtors & Prepayments	3	13,165	42,541
Short Term Investments	7	650,000	650,000
Cash at bank and in hand		608,026	280,782
TOTAL CURRENT ASSETS		1,277,545	979,275
CURRENT LIABILITES			
Creditors and receipts in advance	3	57,636	88,133
TOTAL CURRENT LIABILITES		57,636	88,133
TOTAL ASSETS LESS CURRENT LIABILITIES		1,219,909	891,142
FINANCED BY:			
	11		
Useable Capital Receipts		170,052	170,052
Capital/Earmarked Reserves		932,275	641,699
General Reserves		117,582	79,391
		1,219,909	891,142

The above statement represents a true and fair view of the financial position of the Council as at 31 March 2012, and reflects the Income and Expenditure during the year then ended.

Notes to the Accounts

1 Basis of Preparation

The financial statements summarise the Council's transactions for the 2011/12 financial year and its position at the year-end of 31 March 2012. The accounts have been prepared in accordance with the Accounts and Audit Regulations (2003) and proper practices as set out by the Governance and Accountability for Local Councils – A practitioners Guide England (2010).

There were no changes to the accounting principles, policies or estimation techniques in 2011/12.

2 Fixed Assets

A fixed asset is defined as rights or other access to future economic benefit controlled by a local council as a result of past transactions or events.

The acquisition and disposal of assets is charged to the income and expenditure account. However, a fixed asset register is also kept for management purposes.

All relevant expenditure on the acquisition, creation or enhancement of fixed assets should be recorded on the asset register, with a de minimis level of £6,000 which has been set for the recognition of fixed assets.

All assets are recorded at cost.

	Land & Building	Vehicles, Plant and Equipment	Investment Properties	Total
<u>Balance</u>				
At 31 March 2011	1,912,421	352,591	418,737	2,683,749
Adjustments	-	81,338	(175,345)	(94,007)
Additions	-	24,750	200,479	225,229
Disposals	-	-	-	-
At 31 March 2012	1,912,421	458,679	443,871	2,814,971

Fixed Asset Additions

These items relate to spending on assets which will last more than one year and are above £6,000 in value. The Council spent £225,229 on fixed assets in 2011/12.

This was funded from either revenue, reserves, grants, borrowing or insurance compensation.

	2011/12
<u>Capital Items Purchased</u>	
Beacon Local Nature Reserve – Benches	24,750
Narisa Hall – Rebuild	200,479
	225,229
<u>Sources of Finance</u>	
Direct Revenue Contributions	5,097
Reserves	0
Grants	20,827
Borrowing (credit approved)	0
Insurance Compensation	199,305
	225,229

Fixed Asset Adjustments

The increase in the Vehicles, Plant and equipment relates to assets which had the original cost understated and the decrease in the Investment properties is the removal of the Fixed Assets Under Construction for the Priory Community Support Centre. Both of these adjustments relate to prior years and were agreed with the Audit Commission in include in the 2011/12 accounts as adjustments.

3 Accruals of Income & Expenditure

These accounts have been prepared on an accruals basis.

The activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

Debtors and creditors are raised based on either known amounts or estimates. The debtors that appear on the balance sheet represent sales, fees, charges and rents due to the Council which had not been received at 31 March 2012.

Creditors relate to supplies and services received or submitted during the year of account where payments had not been made by 31 March 2012.

Interest payable on external borrowings and interest income is accrued and accounted for in the accounts of the period to which it relates on a basis which reflects the overall economic effect of the borrowings.

Supplies and services are accrued and accounted for in the period during which they were consumed or received.

An exception to this principle relates to annual subscriptions. This policy is consistently applied each year and therefore does not have a material effect on the year's accounts.

Debtors

The following amounts are included in the debtors' figures on the balance sheet;

	2011/12	2010/11
Trade Debtors	7,460	30,114
Prepayments	1,138	171
VAT Recoverable	1,077	2,456
Sundry Debtors	3,490	9,800
TOTAL	13,165	42,541

Creditors and receipts in advance

The following amounts are included in the creditors' figures on the balance sheet;

	2011/12	2010/11
Trade Creditors	5,004	38,096
Accruals	4,069	6,460
Other Creditors	48,563	43,577
TOTAL	57,636	88,133
Included within the other creditors are:		
Payroll Deductions		
Employers Pension Contributions	6,308	6,316
Employees Pension Contribution	2,051	2,034
UNISON Subscriptions	321	293

Provisions & Other Liabilities

Provisions are made where an event has taken place that gives the Council an obligation that probably requires settlement by a transfer of economic benefits, but where the timing of the transfer is uncertain.

Provisions would be charged to the appropriate service revenue account in the year that the authority becomes aware of the obligation, based on the best estimate of the likely settlement.

4 Government Grants and Other Contributions

Revenue grants and subsidies are matched with the expenditure to which they relate. Grants are recognised in the Income and expenditure account and an accrual is made for amount known to be receivable at the end of year.

During 2011/12 the following grants were received by Bodmin Town Council.

	2011/12	2010/11
Local Authority Grants	5,143	3,323
Government Grants	0	0
Other Grants	17,490	42,789
TOTAL	22,633	46,112

5 Operating Leases

These are leases that do not meet the definition of finance lease, they are accounted for as operating leases. Rentals payable are charged to the relevant service revenue account on a straight-line basis over the term of the lease, generally meaning that rentals are charged when they become payable.

6 Stocks

Stocks are included in the balance sheet at the total of the lower of cost and net realisable value.

7 Interest & Loans

Investments

The Council does not invest in listed or unlisted companies, the only investments are shown in the Balance Sheet at cost. Interest earned on the money market and on the bank account is allocated between the reserves in proportion to their balances. All investments are dealt with in accordance with the Councils Annual Investment Strategy.

	2011/12	2010/11
Fixed Income Scheme Investments	16,551	25,197
Bank Interest received	1,897	1,210
Total Interest Received	18,448	26,407
Public Works Loan Board Interest paid	19,000	19,000
Total Interest Paid	19,000	19,000

Loans - Analysis of Borrowing

Loans are treated as income received.

As at 31 March 2011		As at 31 March 2012
£		£
	<u>Analysis of loans by Type</u>	
400,000	Public Works Loan Board	400,000
400,000	Total Outstanding	400,000
	<u>Analysis of loans by Maturity</u>	
0	Between 1 and 2 years	0
0	Between 2 and 7 years	0
400,000	Between 7 and 15 years	400,000
0	More than 15 years	0
400,000		400,000

The Council currently has two interest only loans from the Public Works Loan Board, which were taken out in 1999 when it purchased the Shire Hall for refurbishment, the details are shown below:

	Principal Amount	Interest Rate	Annual Interest Charge	Repayment Date
PWLB – Shire Hall	200,000	4.625%	9,250	12 August 2025
PWLB – Shire Hall	200,000	4.875%	9,750	31 March 2025
TOTAL	400,000		19,000	

The Public Works Loan Board portfolio has a fair value at 31 March 2012 of £501,184.07. This amount is calculated by the board as the fair value of the Council debt. It has been calculated with reference to the 'premature repayment' method which uses the rates in force at that date.

The Council did not take out any new loans in 2011/12.

8 Payments to Members

The income and expenditure account includes the following payments made to members:

Members Allowances

In accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003 and taking into account the recommendations of the Cornwall Council's Independent Remuneration Panel on Cornwall's Parish and Town Councils' Allowances, the Council pays a modest Allowance of £184.56 per annum. This Allowance partially offsets some of the incidental expense of being a Town Councillor such as increased telephone bills and the cost of computer consumables, etc. The legislation does not allow for payment of this allowance to Co-opted Members and some Councillors have opted not to draw down this allowance.

Mayoral Allowance

The Mayors Allowance is paid to the Mayor during his year of office to meet the expenses of his office under the LGA 1972, s15(5). The act is not prescriptive in what the allowance can be used for. However, it is usually described as recompense for the expenses of maintaining the dignity of the office, and includes general items such as;

- Clothing;
- Partners Clothing;
- Donations to Charities;
- Collections;
- Purchase of raffle tickets etc;
- Personal hospitality (including lunches and dinners); and
- One-off events held by the Mayor
- Travel Expenses

The Mayoral Allowance for 2011/12 was £1,489.59

Members Expenses

Members are reimbursed for expenditure that is wholly and exclusively carried out as the role of the Council.

	2011/12	2010/11
Mileage Claims	286	617
Reimbursement of Expenses	305	
TOTAL	591	617

9 Staffing Information

Number of Employees

The average number of employees during the year was as follows:

	2011/12	2010/11
Full Time	23	23
Part Time	10	7
TOTAL	33	30

All staff are paid in accordance with the National Joint Council nationally agreed pay scale.

The number of employees whose remuneration, excluding employer's pension contributions, was £50,000 or more;

Remuneration Band	2011/12	2010/11
£50,000 – £59,999	1	1
TOTAL	1	1

Local Authority Superannuation Scheme

The Town Council is in membership of the Cornwall Council Superannuation Scheme which is a defined benefit scheme operated by the County Council for all relevant accepted bodies in the area. It is not possible to identify separately the assets and liabilities relating to those bodies participating in a large group for the purposes of setting a common contribution rate. This is because the common contribution gives rise to cross-subsidy within the bodies concerned. Superannuation has therefore been accounted for on a defined contribution basis.

The Council pays into the Cornwall Council Superannuation Fund, an employer's contribution rate of 19.6% of employee's reckonable pay plus a fixed annual monetary amount £8,800. The fixed annual monetary amount is the past service adjustment which is the additional employer contribution required to bring the funding level back to 100% in respect current and past employees. Since April 2011 this has been expressed as a monetary amount rather than a percentage of pensionable pay. The scheme is a funded defined benefit scheme, and employs a professionally qualified actuary to value and provide advice on the maintenance of the scheme Fund. The last formal triennial valuation of the scheme was undertaken as at 31 March 2010. The next formal valuation is due on

1 April 2013 and will determine the employer's contributions for the next three years.

The contributions and percentage of employers' pensionable pay are as follows:

	2011/12	2010/11
Employer's Pension Costs	£77,136	£72,151
% Pensionable Pay	19.6%	19.6%

The employer's contribution rate is to be 19.6% in 2012/13, plus a lump sum of £8,800. The outstanding pension contributions at 31 March 2012 were £8,359.57

Further information regarding the most recent actuarial valuation of the fund may be obtained from Cornwall Council Pension Fund.

10 Audit Costs

Bodmin Town Council incurred the following fees relating to external audit and inspection.

	2011/12	2010/11
Fees payable to the Audit Commission with regard to external audit services carried out by the appointed auditor (Accounts)	3,000	3,000

11 Reserves

The Council maintains certain reserves to meet general and specific future expenditure and to cover contingencies. The purpose of the Council's capital and repayment reserves are detailed below;

- Crockwell Reserve – this is the remaining capital from the sale of an asset the council has agreed to retain to earn interest to fund improvements to play areas within the town
- Crockwell Unreserved – this is the remaining capital from the sale of an asset that the council has agreed should be made available for funding suitable projects
- Grave Maintenance – the interest provides a small amount each year towards the cost of maintaining particular graves within the cemetery
- Shire Hall Loan Funds – the repayment fund will repay the loan at the end of the term

Capital reserves are not available for revenue purposes.

	1 April 2011	Contrib. In to this Reserve	Contrib. from this Reserves	31 March 2012
<u>Useable Capital Receipts</u>				
Useable Capital Receipts	170,052	0	0	170,052
	170,052	0	0	170,052

	1 April 2011	Contrib. In to this Reserve	Contrib. from this Reserves	31 March 2012
<u>Capital Reserves</u>				
Crockwell Reserved	160,664	4,764	0	165,428
Crockwell Unreserved	7,448	221	0	7,669
Grave Maintenance	643	19	0	662
Shire Hall Loan Fund	111,693	155,017	0	266,710
Shire House Roof Loan Fund	0	37,800	0	37,800
	280,448	197,821	0	478,269
<u>Earmarked Reserves</u>				
Whale Fund	9,258	274	0	9,532
Ernest Charles Burrow	1,225	37	0	1,262
Property General	119,944	117,532	135,705	101,771
Beacon	33,323	3,852	1,796	35,379
Machinery & Equipment	51,204	65,442	0	116,646
Museum	21,389	2,777	0	24,166
Youth Fund	16,370	485	0	16,855
Special Projects Fund	108,538	51,492	11,635	148,395
	361,251	241,891	149,136	454,006
<u>General Fund</u>				
General Fund	79,391	38,191	0	117,582
	79,391	38,191	0	117,582

For further information on the movements in reserves please see Annex 2.

12 Related Party Transactions

The Council is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council.

Central Government has effective control over the general operations of the Council – it is responsible for providing the statutory framework within which the Council operates.

Members of the Council have direct control over the Council's financial and operation policies. During 2011/12 there were no works and services carried out in which Members had a direct financial interest. All contracts were entered into in full compliance with the Council's Standing Orders, Financial Regulations and in accordance with the Local Authorities (Model Code of Conduct) Order 2007 [SI 2007/1159]. All Members of Council have made declarations in accordance with Code and completed Notifications of Financial and Other interests, which are held by the Monitoring Officer at Cornwall Council and held on deposit in the Town Council Offices.

Officers have the scope to influence the policies of the Council, although every policy is reviewed and adopted by the Council.

The Council has no material transactions with related parties which require disclosure.

ANNEX 1

The budget headings used throughout this Statement of Accounts, are as follows;

Democratic, Management & Civic

- Subscriptions
- Members Expenses
- General Mayor & Civic
- Civic Hospitality
- Town Twinning
- General Administration & Corporate Management
- District Audit
- Health & Safety
- Conducting Elections

Direct Services

- Bodmin Town Museum
- Shire Hall
- Public Rooms
- Recreation and Sport
- Parks & Open Spaces
- Visitors Information Centre
- Cemeteries
- Public Conveniences
- Bodmin In Bloom
- CCTV
- Car Parks
- Shire House Complex

ANNEX 2

Capital Funds

Shire Hall Loan Fund

To	Annual amount for repayment	16,000.00
	Move PCSC Funding (Wrong Reserve Used in 2010/11)	135,705.32

Shire House Roof Loan Fund

To	Annual amount for repayment	37,800.00
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Earmarked Reserves

Property General Reserve

To	S106 Money from LIDL	20,000.00
	Cornwall in Bloom Award	250.00
	PCSC - Revenue Repayment Fund	40,000.00
	Berryfields Play Area - Fencing	3,000.00
	Retention for Narisa Hall Project	4,425.46
	Car Park Resurfacing - Priory	39,000.00
	BCA Foyer Works	1,000.00
	Property Repairs to Priory Grandstand	1,000.00
	War Memorial Work	2,500.00
	Shire House Suite Foyer Refurbishment	2,000.00
	Turret Clock Window Replacement	800.00
From	Move PCSC Funding (Wrong Reserve Used in 2010/11)	135,705.32

Local Beacon Nature Reserve

To	Under spend of BLNR Budget	2,864.03
From	Rural Payments Agency - Recovery of Overpayment	1,796.01

Machinery & Equipment Reserve

To	CCTV Funding from Special Projects Reserve	11,634.72
	Shire House Fire Alarm System	16,889.00
	Replacement Car Park Machine Coin Mechanism	1,400.00
	Replacement CCTV System	23,000.00
	Bike Racks for Mount Folly	1,000.00
	Priory Park Play Equipment	10,000.00

Special Projects Reserve

To	Replenish the Reserve	10,000.00
	Armed Forces Day	1,000.00
	Internal Borrowing – Replacement File Server	2,666.67
	2013 Elections	4,000.00
	Under spend - External Audit	7,271.68
	Under spend - Berryfield Legal Works	1,861.60
	Open Spaces - Tree Safety Works	4,000.00
	Mount Folly Contingency Works	5,000.00
	Hillside Park (Hedge Works, Skip & Chipper)	2,780.00
	Under spend - Allotment	1,243.12
	Internal Borrowing - Kubota F2880 Mower	3,050.00
	Mary Kendall House - Legals/Window/Boiler	5,403.00
From	Move CCTV Funding to Machinery and Equipment Reserve	11,634.72

Museum Money Master Reserve

To Surplus of Funds 2,220.31

General Fund Reserves

General Fund

To Year End Surplus of Funds 38,191.18

Transfers into Reserves include the lump sum plus any interest accrued, which is allocated in proportion to the sum invested.