

Report to Full Council – 19th June 2018

Annual Governance & Accountability Return (AGAR) for the year ending 31st March 2018

1. Purpose of the Report

- 1.1 To present information which will make up the Council's Annual Governance & Accountability Return for the year ending 31st March 2018.
- 1.2 To consider the effectiveness of the system of internal control.
- 1.3 To approve the Annual Governance Statement.
- 1.4 To consider, approve and sign the Accounting Statements.
- 1.5 To set the period for the Exercise of Public Rights.

2. Background

- 2.1 Smaller local authorities are required by the Local Audit and Accountability Act 2014 to complete an Annual Return.
- 2.2 The Accounts & Audit Regulations 2015 stipulate that the authority must consider the effectiveness of the system of internal control, approve the Annual Governance Statement and approve and sign the Accounting Statements set out in the Annual Governance & Accountability Return (AGAR).
- 2.3 Consider the review of the effectiveness of the system on internal control.
In carrying out this task, the Council should have regard to the Internal Auditor's report (considered at P&E 5th June) and the Committee's conclusions. This task is essentially a pre-cursor to completing the Annual Governance Statement; it encourages local authorities to think about their answers rather than just aimlessly tick the boxes.
- 2.4 Approve the Annual Governance Statement.
The Council is required to consider the statements in the Annual Governance Statement (Section 1) and to declare whether they agree or disagree with each statement.
Should the Council answer 'No' to any statement it will need to provide an explanation for the external auditors.
The Annual Governance Statement must be approved prior to the Accounting Statements. This must be evidenced by separate minute references (hence two committee items considering the AGAR).
- 2.5 Approve & Sign the Accounting Statements.
The Council is required to consider, approve and sign the Accounting Statements (Section 2) for the year ending 31st March 2018. This is essentially a public declaration of the Council's financial position.
The Responsible Financial Officer must sign and date the Accounting Statements before it is presented to the Council.
- 2.6 The Council must also make arrangements for the exercise of public rights. It must inform the electorate of a single period of 30 working days during which public

rights may be exercised, by publishing a Notice of Public Rights & the unaudited Annual Governance & Accountability Return and Sections 1&2 of the approved AGAR the day before the period for the public rights commences (publishing means inclusion on the Council's website as well as any noticeboard).

Officers are suggesting that the dates for the exercise of public rights run from 25th June to 3rd August

- 2.7 As the Town Council's gross income and expenditure is greater than £200,000, it is required to complete an intermediate level review.

As part of an intermediate level review the Council must provide:

a) An Annual Governance & Accountability Return 2017/18 Part 3 (comprising both the Annual Governance Statement & Accounting Statements).

b) Completed confirmation of dates of the period for the provision of public rights form.

c) Bank Reconciliation.

d) Explanation of any significant variances between 2016/17 & 2017/18.

e) Reconciliation between boxes 7 & 8.

f) Copies of any internal audit reports in relation to 2017/18.

g) Copies of year end bank statements.

h) Copies of minutes and any agreed plan showing the corrective action taken to address the prior year 'except for' matters.

i) Completed contact details form.

These documents are **attached** (in this order) to this report.

- 2.7 The Council's external auditor is PKF Littlejohn LLP. The Annual Governance and Accountability Return will need to be sent to them by 25th June 2018.

4. **Recommendations**

Annual Governance & Accountability Return (Governance):

- 4.1 To note the Internal Auditors report and the review of the effectiveness of the system of internal control.
- 4.2 To approve the Annual Governance Statement.

Annual Governance & Accountability Return (Accounting):

- 4.3 To consider, approve and sign the Accounting Statements.
- 4.4 To approve the period for the exercise of public rights, from 25th June to 3rd August 2018.
- 4.5 To approve the additional information required under an intermediate audit; Annexes a-i.

James Whittleton
Deputy Town Clerk
8th June 2018.