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The Council's policy may be viewed on the Policies page of its [website](#).



**NORTHAM TOWN COUNCIL
TOWN HALL
WINDMILL LANE
NORTHAM
DEVON
EX39 1BY**

Town Clerk: Mrs Jane Mills MILCM
Telephone and Fax: 01237 474976
e-mail: townclerk@northamtowncouncil.gov.uk

To: All Members of the Northam Town Council

You are hereby summoned to attend a Special Meeting of the Town Council which will be held on Thursday 22nd June 2023 commencing at 6.30pm in the Council Chamber, Windmill Lane, Northam.

The agenda for the meeting is set out below.

M J Mills

Jane Mills BA(Hons), MILCM, PSLCC
Town Clerk

Date of issue: 16th June 2023

AGENDA

- 1 Chairman's announcements.**
- 2 Apologies.**
- 3 Declarations of interest.**
Members are reminded that all interests must be declared prior to the item being discussed.
- 4 To agree the agenda as published**
- 5 To receive a report on governance statement, assertions and requirements (herewith)**
- 6 To receive a report from the internal auditor (herewith)**
- 7 To consider the Annual Governance Statement Section 1 (herewith)**
- 8 To consider and approve the Accounting Statements Section 2 (herewith)**
- 9 To consider a recommendation from the Westward Ho! Park Committee re the Tennis Courts**

Report on Governance Statement Assertions & requirements

Assertion 1: Financial management and preparation of accounting statements

We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements. In order to warrant a positive response to this assertion, the following processes need to be in place and effective:

The following need to be in place:

Budgeting.

The authority needs to prepare and approve a budget in a timely manner before setting a precept or rates and prior to the commencement of the financial year. It needs to monitor actual performance against its budget during the year, taking corrective action where necessary. A financial appraisal needs to be undertaken before the authority commences any significant project or enters into any long- term commitments.

Accounting records and supporting documents.

The authority needs to have satisfied itself that its Responsible Finance Officer(RFO) has determined a system of financial controls and discharged their duties under Regulation 4 of the Accounts and Audit Regulations 2015.

The RFO needs to have put in place effective procedures to accurately and promptly record all financial transactions and maintain up to date accounting records throughout the year, together with all necessary supporting information.

The accounting statements in Section 2 of the Annual Governance and Accountability Return need to agree to the underlying records.

Bank reconciliation. Statements reconciling each of the authority's bank accounts with its accounting records need to be prepared on a regular basis, including at the financial year-end, and reviewed by members of the authority.

Investments.

Arrangements need to be in place to ensure that the authority's funds are managed properly and that any amounts surplus to requirements are invested appropriately, in accordance with an approved strategy which needs to have regard to government's (MHCLG) statutory guidance on local government investments. If total investments are to exceed the threshold specified in MHCLG's statutory guidance at any time during a financial year, an authority needs to produce and approve an annual Investment Strategy in accordance with the MHCLG guidance.

Statement of accounts.

The authority needs to ensure that arrangements are in place to enable preparation of an accurate and timely statement of accounts in compliance with its statutory obligations and proper practices.

Assertion 2: Internal Control

We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness. In order to warrant a positive response to this assertion, the following processes need to be in place and effective:

Standing Orders and Financial Regulations.

The authority needs to have in place standing orders and financial regulations governing how it operates. Financial regulations need to incorporate provisions for securing competition and regulating the manner in which tenders are invited. These need to be regularly reviewed, fit for purpose, and adhered to.

Safe and Efficient Arrangements to Safeguard Public Money.

Practical and resilient arrangements need to exist covering how the authority orders goods and services, incurs liabilities, manages debtors, makes payments and handles receipts.

Authorities need to have in place safe and efficient arrangements to safeguard public money. Where doubt exists over what constitutes money, the presumption is that it falls within the scope of this guidance.

Authorities need to review regularly the effectiveness of their arrangements to protect money. Every authority needs to arrange for the proper administration of its financial affairs and ensure that one of its officers (the RFO) has formal responsibility for those affairs.

Authorities need to ensure controls over money are embedded in Standing Orders and Financial Regulations. Section 150(5) of the Local Government Act 1972 required cheques or orders for payment to be signed by two elected members. Whilst this requirement has now been repealed, the 'two member signatures' control needs to remain in place until such time as the authority has put in place safe and efficient arrangements

Authorities need to approve the setting up of, and any changes to, accounts with banks or other financial institutions. Authorities also need to approve any decisions to enter into 'pooling' or 'sweep' arrangements whereby the bank periodically aggregates the authority's various balances via automatic transfers.

If held, corporate credit card accounts need to have defined limits and be cleared monthly by direct debit from the main bank account.

The authority needs to approve every bank mandate, the list of authorised signatures for each account, the limits of authority for each account signature and any amendments to mandates.

Risk assessment and internal controls need to focus on the safety of the authority's assets, particularly money. Those with direct responsibility for money need to undertake appropriate training from time to time.

Employment.

The remuneration payable to all employees needs to be approved in advance by the authority. In addition to having robust payroll arrangements which cover the accuracy and

legitimacy of payments of salaries and wages, and associated liabilities, the authority needs to ensure that it has complied with its duties under employment legislation and has met its pension obligations.

VAT.

The authority needs to have robust arrangements in place for handling its responsibilities with regard to VAT.

Fixed Assets and Equipment.

The authority's assets need to be secured, properly maintained and efficiently managed. Appropriate procedures need to be followed for any asset disposal and for the use of any resulting capital receipt.

Loans and Long -Term Liabilities.

Authorities need to ensure that any loan or similar commitment is only entered into after the authority is satisfied that it can be afforded and that relevant approvals have been obtained. Proper arrangements need to be in place to ensure that funds are available to make repayments of capital and any associated interest and other liabilities.

Review of effectiveness.

Regulation 6 of the Accounts and Audit Regulations 2015 requires the authority to conduct each financial year a review of the effectiveness of the system of internal control. The review needs to inform the authority's preparation of its annual governance statement.

Assertion 3

Compliance with laws, regulations and proper practices

We took all reasonable steps to assure ourselves that there are no matters of actual or potential noncompliance with laws, regulations and proper practices that could have a significant financial effect on the ability of this smaller authority to conduct its business or on its finances. In order to warrant a positive response to this assertion, the following processes need to be in place and effective:

Acting within its powers.

All authorities' actions are controlled by statute. Therefore, appropriate decision-making processes need to be in place to ensure that all activities undertaken fall within an authority's powers to act. In particular authorities need to have robust procedures in place to prevent any decisions or payments being made that are ultra vires, i.e. that the authority does not have the lawful power to make. The exercise of legal powers needs always to be carried out reasonably. For that reason, authorities making decisions need always to understand the power(s) they are exercising in the context of their decision making.

General power of competence.

In particular an authority seeking to exercise a general power of competence under the Localism Act 2011 needs to ensure that the power is fully understood and exercised in accordance with the Parish Councils (General Power of Competence) (Prescribed Conditions) Order 2012.

Regulations and proper practices.

Procedures need to be in place to ensure that an authority's compliance with statutory regulations and applicable proper practices is regularly reviewed

and that new requirements, or changes to existing ones, are reported to members and applied. Authorities need to have particular regard to the requirements of the Accounts and Audit Regulations 2015.

Actions during the year.

An authority needs to have satisfied itself that it has not taken any decision during the year, or authorised any action, that exceeds its powers or contravenes any laws, regulations, or proper practices.

Assertion 4:

Exercise of public rights We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations. In order to warrant a positive response to this assertion, the following processes need to be in place and effective:

Exercise of public rights.

The authority provided for the exercise of public rights set out in Sections 26 and 27 of the Local Audit and Accountability Act 2014. Part 5 of the Accounts and Audit Regulations 2015 requires the RFO to have published, including on the authority's website or other website:

- Sections 1 and 2 of the Annual Governance and Accountability Return;
- a declaration that the status of the statement of accounts is 'unaudited'; and
- a statement that sets out details of how public rights can be exercised, as set out in Regulation 15(2)(b), which includes the period for the exercise of public rights.

External Auditor's Review.

A notice of the conclusion of the external auditor's limited assurance review of the

Annual Governance and Accountability Return, together with relevant accompanying information, was published (including on the authority's website or other website) in accordance with the requirements of Regulation 16 the Accounts and Audit Regulations 2015.

Assertion 5:

Risk Management

We carried out an assessment of the risks facing this smaller authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required. In order to warrant a positive response to this assertion, the following processes need to be in place and effective:

Identifying and assessing risks.

The authority needs to identify, assess and record risks associated with actions and decisions it has taken or considered taking during the year that could have financial or reputational consequences.

Addressing risks.

Having identified, assessed and recorded the risk, the authority needs to address them by ensuring that appropriate measures are in place to mitigate and manage risk. This might include the introduction of internal controls and/or appropriate use of insurance cover.

Assertion 6:

Internal Audit

We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems. In order to warrant a positive response to this assertion, the following processes need to be in place and effective:

Internal audit.

The authority needs to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes taking into account internal auditing guidance for smaller authorities

Provision of information.

The authority needs to ensure it has taken all necessary steps to facilitate the work of those conducting the internal audit, including making available all relevant documents and records and supplying any information or explanations required.

Assertion 7:

Reports from Auditors

We took appropriate action on all matters raised in reports from internal and external audit To warrant a positive response to this assertion, the authority needs to have considered all matters brought to its attention by its external auditor and internal audit and taken corrective action as appropriate

Assertion 8:

Significant events

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 smaller authority and, where appropriate have included them in the accounting statements.

To warrant a positive response to this assertion, the authority needs to have taken the following actions where necessary:

Significant events.

The authority needs to have considered if any events that occurred during the financial year (or after the year-end), have consequences, or potential consequences, on the authority's finances. If any such events are identified, the authority then needs to determine whether the financial consequences need to be reflected in the statement of account.

Assertion 9:

Trust Funds(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.

Where a local authority acts as a sole managing trustee for a trust or trusts, to warrant a positive response to this assertion the authority needs to have made sure that it has discharged all of its responsibilities with regard to the trust's finances. This needs to include financial reporting and, if required, independent examination or audit. This is notwithstanding the fact that the financial transactions of the trust do not form part of the authority's accounts and are therefore not included in the figures reported on Section 2 of its Annual Governance and Accountability Return



Jane Mills
Town Clerk
Town Hall
Windmill Lane
Northam
Devon
EX39 1BY

17th May 2023

Dear Jane,

Report on Internal Audit carried out on 3 May 2023

An audit was carried out by Kevin Rose on Wednesday 3 May 2023. This was the Year End audit following on from the Interim Internal Audit carried out on 31 October 2022.

The audit was undertaken using our standard IAC Audit Checklist, used for all Local Councils, which has 196 items. A total of 77 items were tested during this audit. Including the items tested during the Interim Internal Audit visit a total of 151 items have been checked during the financial year a further 43 items on the standard Checklist were checked and confirmed as being Not Applicable to your Council. A balance of 2 items remained unchecked at the year end. These relate to the review of lease agreements and will be reviewed at the next Interim audit visit.

Areas subject to audit were;

the payment system (Box B), risk and insurance (Box C), budget and precept setting and monitoring (Box D), income billing, collection and VAT (Box E), petty cash (Box F), payroll (Box G), assets and investments (Box H), bank reconciliations (Box I), and accounting Statements (Box J).

Of the 77 items tested during this audit a Positive response was obtained in respect of 70 tests. There were 7 Negative responses identified, details of which are set out in the attached Year End Internal Audit Observations. A detailed breakdown of our audit testing and Responses is set out in the attached Year End Internal Audit Summary.

Unfortunately it was necessary to issue a Negative response on the statutory Internal Report, and the reasons for this are set out in the my Negative Response letter, which the Council should review and which must be provided to the External Auditor when submitting the AGAR.

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23 Westbury Road, Yarnbrook, Wiltshire, BA14 6AG
Email: admin@audit-iac.com Tel: 01225 775511

I would like to express my thanks for the assistance provided to me during my audit.

Yours sincerely,

Annual Internal Audit Report 2022/23

Northam Town Council

<https://www.northamtowncouncil.gov.uk/>

During the financial year ended 31 March 2023, 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 2022/23 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 2021/22, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2021/22 AGAR tick "not covered")			✓
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.			✓
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2022-23 AGAR period, were public rights in relation to the 2021-22 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).		✓	
N. The authority has complied with the publication requirements for 2021/22 AGAR (see AGAR Page 1 Guidance Notes).	✓		
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes ✓	No 	Not applicable

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

22/04/2022

31/10/2022

DD/MM/YYYY

Name of person who carried out the internal audit

Kevin Rose - IAC Audit & Consultancy Ltd

Signature of person who carried out the internal audit

SIGNATURE REQUIRED

Date

17/05/2023

*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).



Jane Mills
Town Clerk
Town Hall
Windmill Lane
Northam
Devon
EX39 1BY

17th May 2023

Dear Jane,

Further to my Internal Audit of the Council in respect of the 2022 Annual Return, I am submitting my report and observations to the Council. As you will notice from the attached Internal Audit Report it was unfortunately necessary to issue a negative response in respect of Control Objective M.

Control Objective M

"The authority, during the previous year (2020-21) 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)"

Reason for the negative response Control Objective M

Regulation 14 of The Accounts and Audit Regulations (2015) sets out the requirements in respect of The Period for the Exercise of Public Rights. As you are aware, it was not possible during the internal audit to verify that the Council had properly discharged its obligations as set out in the Regulations.

The annual Internal Audit report requires that the Council evidence its compliance either by Notice on the Council website or by recording the dates for the Exercise of Public Rights in Council Minutes. Unfortunately it was not possible to confirm either of these had been done.

Implications in respect of the Annual Return

As previously advised it will be necessary for a negative response to be entered on the Internal Audit Report. In addition, the Council will also have to return a negative response in respect of Assertion 4 of the Annual Governance Statement.

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

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

- We have responded 'Not Covered' in response to Objective K is that it is not applicable to your Council as you did not certify yourself as exempt from External Audit.
- We have responded 'Not Covered' in response to Objective L is that it is not applicable to your Council as your 'annual turnover' exceeds £25,000 and you are therefore not subject to the publication requirements of the Transparency Code.

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

Yours sincerely,

Northam Town Council

Interim Audit Date: 31/10/2022



Internal Audit Summary 2022-23

Year End Audit Date 03/05/2023

(shaded Internal Control Objectives are not applicable to your Council)

Internal Control Objective		Negative Analysis					Responses				Recommendations
		Non - Compliance	High	Medium	Low	Advisory	Positive	Negative	N/A	Not Checked	
A	Appropriate accounting records have been properly kept throughout the financial year.	0	0	0	0	0	6	0	0	0	0
B	This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	0	1	0	0	0	32	0	5	2	1
C	This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	0	0	0	0	1	10	1	1	0	1
D	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	0	0	4	0	0	10	3	2	0	4
E	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	0	1	1	0	0	12	2	10	0	2
F	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	0	0	0	0	0	9	0	0	0	0
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.	0	0	0	0	0	23	0	1	0	0
H	Asset and investments registers were complete and accurate and properly maintained.	0	1	1	0	0	6	1	4	0	2
I	Periodic bank account reconciliations were properly carried out during the year.	0	0	1	0	0	12	1	3	0	1
J	Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	0	1	1	0	0	5	2	4	0	2
K	If the authority certified itself as exempt from a limited assurance review in 2021/22, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2020/21 AGAR tick "not covered")	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3	N/A	N/A
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.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7	N/A	N/A

2022-23 Internal Audit Northam Town Council

Internal Control Objective		Negative Analysis					Responses				Recommendations
		Non - Compliance	High	Medium	Low	Advisory	Positive	Negative	N/A	Not Checked	
M	<i>The authority, during the previous year (2021/22) 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).</i>	1	1	0	0	0	3	2	0	0	2
N	<i>The authority has complied with the publication requirements for 2021/22 AGAR (see AGAR Page 1 Guidance Notes).</i>	1	0	0	0	0	6	1	1	0	1
O	<i>(For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee</i>	0	2	0	0	0	3	1	2	0	2
Total		2	2	0	0	1	12	4	3	0	5

Northam Town Council

Financial Year 2022-23

IAC Audit and Consultancy
Ltd

Audit date: 3 May 2023

Year Internal Audit
End Observations

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

No.	Audit Test	Observation	Recommendation	Priority	Comments
1	The Council has reviewed any points raised by the External Auditor as required	<i>From a review of Minutes it was not possible to verify that the Council has reviewed the report of the External Auditor</i>	The Council to ensure that, on an annual basis, it formally records a review of the External Auditors report in the Minutes of the relevant meeting.	Medium	All reports go to Finance & HR Committee and the minutes are adopted at Full Council, however audit reports will now go to Full Council
2	Council has returned to IAC completed Internal Audit Observations spreadsheets from prior audit(s)	<i>The Council has not provided its response to the Internal Audit Observations from the previous audit and returned it to IAC.</i>	Council to provide its comments on the previous Internal Audit Observations.	Medium	This was sent and has now been re-sent.

3	Reserves have been subject to review by Council	<i>From a review of Minutes it was not possible to verify that the Council had undertaken a review of its Reserves during the year.</i>	On an annual basis, as part of the budget setting process, the Council should conduct a review of its Reserves to ensure that their purpose is identified and that they are adequate and not excessive.	Medium	These are done at the pre-budget Finance meeting, and special Full Council budget meeting. Will provide more detail in future.
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H *Asset and investments registers were complete and accurate and properly maintained.*

No.	Audit Test	Observation	Recommendation	Priority	Comments
1	Continuing existence of assets is checked on a regular basis (when was last check?)	<i>It is unclear when the Council undertook a full review to confirm the location and condition of its assets.</i>	The Council should put in place a process for the regular review and verification of its assets. Assets of a high value or which may be particularly vulnerable should be subject to verification at more frequent intervals.	Medium	These are reviewed at the Annual Meeting of the Council (AGM) but can be reviewed quarterly in future.
2	Total of Asset Register agrees to Box 9 value of Accounting Statements	<i>It was noted the the 2022 value stated on the Council's asset register did not agree to the 2021-22 Box 9 value in the accounting statements. This was due to play equipment at Westward Ho! being recorded in 2022 at the 2021 value.</i>	Council to update the 2022 value stated in the asset register to ensure it agrees to the value stated in the 2021-22 Accounting Statements.	High	This has been adjusted.

I Periodic bank account reconciliations were properly carried out during the year.

No.	Audit Test	Observation	Recommendation	Priority	Comments
1	Bank reconciliations have been signed and dated as evidence of independent review (Year End)	<i>Bank reconciliations have not been signed and dated as evidence of independent review</i>	Bank reconciliations which have been subject to review should be signed and dated as evidence of this review.	Medium	These have been done quarterly by former Councillor Sargent appointed at a Finance Committee meeting previously (not sure how they were missed at previous audits).

J Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.

No.	Audit Test	Observation	Recommendation	Priority	Comments
1	Year end creditor balances are reasonable and agree to year end Trial Balance	<i>It was noted that a balance of £5,992.67 due to the Northam Burrows Charity was not recorded in the SCRIBE system at year end. This amount is the balance of income (£16,165.06) and expenditure (£10,172.39) relating to the Burrows which had been recorded in SCRIBE as income and expenditure of the Council.</i>	The Council to note that the income and expenditure relating to the Trust must not be recorded as Council income. The balance of £5,992.67 relating to the Trust monies owing as at 31st March 2023 should be paid over to the Trust.	Medium	This should not happen again, it was due to the cross-over to the charity account and the issue of Manor Passes commenced earlier than previously.

2	Audit Extended Trial Balance agrees to draft Accounting Statements	<i>Significant difficulty was experienced in agreeing the draft AGAR Accounting Statement values to the Councils SCRIBE accounting system. A major reason for this was that adjustments to change the accounts on which income and expenditure was recorded are being made as bank payments and receipts rather than as Journal Entries (these are referred to as Code Transfers in SCRIBE).</i>	<p>The Council to note that Receipts and Payments must only be recorded where there is a physical bank receipt or payment. Transfers between account codes / budget headings must not be recorded as either bank payments or bank receipts.</p> <p>If necessary the Council to seek advice from the software supplier as to how to make these entries.</p>	High	This was due to a problem with the Scribe Accounting software, which has now been sorted.
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7 AGAR Section 1

Section 1 – Annual Governance Statement 2022/23

We acknowledge as the members of:

ENTER NAME OF AUTHORITY

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 2023, that:

	Agreed		Yes* means that this authority:
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.			prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.			made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
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.			has only done what it has the legal power to do and has complied with Proper Practices in doing so.
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.			during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
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.			considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.			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.
7. We took appropriate action on all matters raised in reports from internal and external audit.			responded to matters brought to its attention by internal and external audit.
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.			disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
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
			has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.

*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:

DD/MM/YYYY

and recorded as minute reference:

MINUTE REFERENCE

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

Chairman

SIGNATURE REQUIRED

Clerk

SIGNATURE REQUIRED

ENTER PUBLICLY AVAILABLE WEBSITE/WEBPAGE ADDRESS

7 AGAR Section 2

Section 2 – Accounting Statements 2022/23 for

ENTER NAME OF AUTHORITY

	Year ending		Notes and guidance
	31 March 2022 £	31 March 2023 £	
1. Balances brought forward	448,080	294,543	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	358,975	393,800	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	92,799	115,230	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	221,082	235,692	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
5. (-) Loan interest/capital repayments	17,152	17,429	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	367,077	306,041	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	294,543	244,410	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	289,131	246,006	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	910,491	986,626	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	289,441	281,323	The outstanding capital balance as at 31 March of all loans from third parties (including FWLB).

For Local Councils Only	Yes	No	N/A	
11a. Disclosure note re Trust funds (including charitable)	✓			The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.
11b. Disclosure note re Trust funds (including charitable)	✓			The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2023 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

SIGNATURE REQUIRED

Date

DD/MM/YYYY

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

DD/MM/YYYY

as recorded in minute reference:

MINUTE REFERENCE

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

SIGNATURE REQUIRED