

**Meeting: Finance and Administration Committee****Date: 23<sup>rd</sup> April 2024****Author: Town Clerk****Item for Consideration: Year end process for internal and external audit****1.0 Introduction**

1.1     Kingswood Town Council is subject to an annual governance and accountability review (AGAR), also known as a limited assurance review rather than a full statutory audit, and as part of that process, has an internal audit. This is regulated by the Accounts and Audit Regulations 2015 and the Proper Practices as contained in The Practitioners' Guide. That internal audit (with Lightatouch) is booked for 3<sup>rd</sup> May, and then the council provides the relevant statements and documentation to the External Auditor (PKF Littlejohn). The internal auditor will provide the council with an independent and impartial year-end assessment in accordance with the requirements of the AGAR.

1.2     The town council must approve the Annual Governance Statement and the Accounting Statements (the figures) before 1<sup>st</sup> July. KTC will approve these at the meeting on 11<sup>th</sup> June 2024. Once the statements have been approved the council must commence a period known as the Exercise of Public Rights (where residents on the electoral role can ask to see the accounts). This period is for 30 working days and must include the first 10 working days of July. At this point the clerk will provide the external auditor with the required information and the conclusion of the audit is on 30<sup>th</sup> September when the council receives the report from the external auditor.

1.3     The timetable for presenting the year-end information to council and the external auditor is provided, as is a list of the items that the internal auditor asks to see

**1.4    Yearend timetable**

Internal Audit	Friday 3 <sup>rd</sup> May 2024
Council meeting to receive the internal auditors report and then to approve both statements within the AGAR	Tuesday 11 <sup>th</sup> June 2024
Date of Announcement to be published on website	Thursday 13 <sup>th</sup> June 2024
Inspection Period	Friday 14 <sup>th</sup> June 2024
End of Inspection Period	Thursday 25 <sup>th</sup> July 2024

**1.5    Internal Auditor Expectations**

Item	Dates/Notes
Evidence that Bank Reconciliations have been completed	February 2024 March 2024 statements as well as minutes of meeting on 9 <sup>th</sup> April 2024 Bank account was only opened in late January and first payment of precept in February 2024.
Back up of RBS at 31 March 2024	Stored and dated 09/04/24
Bank Statements for both accounts	February 2024 March 2024 saved
VAT reimbursement for 2023/24	This was not done but a list of what can be claimed is provided. Detail provided to full council on 9 <sup>th</sup> April 2024

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Precept transfer from SGC to KTC during 2023/24	Transferred in February 2024 – receipt voucher available
Budget information for 2023/24	This was calculated by SGC, we have a copy of their budget and RBS print out
Budget information for 2024/25	Minutes of meeting in January 2024 and copy of revised budget off RBS
Copy of Precept Request S41 2024/25	Sent to Greg Evans at SGC on 23 January 2024, delayed as was waiting for confirmation of bank account details
Copy of full Risk assessments for 2023/24	Strategy and Policy adopted by full council but still working through the risk assessments - presented to Finance and Administration 23 April 2024
Insurance Policy	Zurich Municipal dated 1 <sup>st</sup> October 2023
Asset Register	Updated March 2024 with 2 assets
Reserves for 2023/24	See reserves policy -reserves to be created at the end of the financial year
Draft AGAR Statement	To be provided to internal auditor by the clerk
Year end Bank Reconciliation	For March 2024 approved at meeting on 9 <sup>th</sup> April 2024
Explanation of variances over 15%	All variances will be explained as new council and funds not required during the set-up period, and some will be moved into a Carry Forward reserve

1.6     In addition, the internal auditor undertakes a review of a number of other pieces of information that are usually found on the council's website: Minutes of meetings, Standing Orders, Financial Regulations, registration with the ICO, councillors Register of Interests, General Power of Competence. They have to ensure that we are complying with the Transparency Code. In addition, they ask to see information relating to staffing and payroll which is confidential.

## 2.0    Recommendation

2.1     That the Finance and Administration Committee note this report.