



ACCOUNTS SUB-COMMITTEE

Monday 9th October 2023 – 11:00 hours

To all Members of the Accounts Sub-Committee:

Cllrs Marriott (Chair), Birch, Hibbert and Purser

You are hereby summoned to attend a meeting of the Accounts Sub-Committee to be held in the Committee Room at the Town Council's offices at the Guildhall, Northampton on Monday 9th October 2023 at 11:00 hours. when the business set out below will be transacted.

This Sub-Committee meeting is open to the public and press to attend and those attending the meeting shall be informed that they may be recorded. Public participation is in accordance with the Town Council's public participation policy.

Stuart Carter
Town Clerk
3rd October 2023

Guildhall
Northampton
NN1 1DE

Cc: Electronically to all Members of the Council for information

A G E N D A

- 1. Apologies**
- 2. Declarations of Interest**
- 3. Minutes of the Previous Meeting**
To approve as correct and give authorisation to sign the minutes of the last Accounts Sub-Committee held 12th September 2023
- 4. Revenue Budget 2023/24**
To receive the budgetary report for the month ending September 2023 (copy to be circulated at the meeting)

5. Payment of Accounts

To approve accounts for payment (schedule of accounts to be circulated at the meeting)

6. Bank reconciliation

Bank reconciliation and supporting documents to be tabled

7. Internal Controls

Feedback from Cllr Hibbert and Cllr Purser on internal control check carried out 25th September 2023

8. Risk Register

Clerk to give a verbal update

9. AGAR

To inform the sub-committee of the completion of the annual external audit and to note their comments

10. Forward Budget

Finance Officer to speak to this

11. Action List

12. Further items for consideration for information only



Agenda Item 9

Northampton Town Council

Accounts Sub-Committee

AGAR – report of Town Clerk

Purpose of report: To inform the committee of the completion of the AGAR and inform them of the external auditor's comments

Recommended: That the sub-committee note the report and the comments

Members will know that the Town Council as part of its auditing process is required to annually complete the Annual Governance and Annual Return (AGAR) document. The external auditors are appointed by the government as part of a regional process.

This AGAR process is now complete for the 2022/23 financial year with PKF Littlejohn having signed off their part. The documents have been uploaded to the website and the notice published as per the legislation.

We are pleased to report that the external auditor has raised no causes for concern that the relevant legislation and regulatory requirements have been met, as detailed in section 3 part 2.

They have raised 2 points, the fact that the earmarked reserves whilst being detailed in the relevant agenda reports were not included in the minutes. This will be rectified in the coming year.

In addition, they raised that the internal auditor was appointed for 2021-23 as minuted by the Shadow Council but not the council once it formally started. This again will be rectified when the appointment of the internal auditor will be an agenda item at a future Policy and Finance meeting.

Sections 1,2 & 3 of the AGAR are attached for reference.

Section 1 – Annual Governance Statement 2022/23

We acknowledge as the members of:

NORTHAMPTON TOWN COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 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:

26/06/2023

and recorded as minute reference:

M12 REFERENCE

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

Chairman



SIGNATURE REQUIRED

Clerk



SIGNATURE REQUIRED

ENTER IP ADDRESS www.northamptontowncouncil.gov.uk PAGE ADDRESS

Section 2 – Accounting Statements 2022/23 for

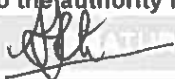
NORTHAMPTON TOWN COUNCIL

	Year ending		Notes and guidance
	31 March 2022 £	31 March 2023 £	
1. Balances brought forward	75,186	1,158,435	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	1,775,500	1,793,300	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	6,000	282,961	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	232,412	399,863	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	0	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	465,839	831,207	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	1,158,435	2,003,626	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	1,192,853	1,974,639	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	9,957	23,814	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	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

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

20/06/2023

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

26/06/2023

as recorded in minute reference:

MIN 13 REFERENCE

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

 **SIGNATURE REQUIRED**

Section 3 – External Auditor’s Report and Certificate 2022/23

In respect of **Northampton Town Council – NH0267**

1 Respective responsibilities of the auditor and the authority

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

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

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

- summarises the accounting records for the year ended 31 March 2023; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

2 External auditor’s limited assurance opinion 2022/23

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

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

We note that Section 2, Boxes 11 (a) and (b) in respect of trust funds has been left blank, the smaller authority has confirmed that it does not act as sole managing trustee for trust funds, and thus the responses should have been ‘No’ and ‘N/A’ respectively. The smaller authority should ensure the AGAR is fully completed in future.

In the completion of the Annual Internal Audit Report, and their detailed report, the internal auditor has drawn attention to weaknesses in relation to details of earmarked reserves not recorded in the minutes, the internal control process and the website requires attention for consistency and missing reports. The smaller authority must ensure that action is taken to address these areas of weakness in a timely manner.

The smaller authority has not provided:

- evidence that on appointment of the internal auditor, it satisfied itself with regard to the competence of the internal auditor and that there is a signed letter of engagement in place. We have seen an unsigned version of the engagement letter, but no evidence of the council confirming the appointment is recorded in the minutes for the 2022/23 financial year.

3 External auditor certificate 2022/23

We certify that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2023.

External Auditor Name

PKF LITTLEJOHN LLP

External Auditor Signature



Date

27/09/2023