

OTTERY ST MARY TOWN COUNCIL

Council Offices, The Old Convent, 8 Broad Street,
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29 May 2024

Dear Councillors

I hereby give you notice that the **Finance Committee Meeting** of **OTTERY ST MARY TOWN COUNCIL** will be held at **16:30** on **Monday, June 3, 2024**, at the **Council Offices, 8 Broad Street, Ottery St. Mary Town EX11 1BZ**.

All members are hereby summoned to consider the matters detailed on the Agenda below.

Yours faithfully

Kerry Kennell

Town Clerk

INFORMATION FOR MEMBERS OF THE PUBLIC/PRESS:

The law requires that public access is possible and not restricted, unless in the case of an agreed confidential session.

1. If you wish to comment on an item on this agenda (but don't wish to speak at the meeting) please submit this in writing by **12 noon Friday, May 31, 2024**. This will be read out under public participation for members to consider.
2. For members of the public/press that wish to speak at the meeting, under public participation, please raise your hand and wait for the Chair to prompt you.
3. For those who have no visual access to the meeting, Members will state their name before speaking and voting.
4. For those who are unable to hear, the agendas and the minutes of the meeting will be available on the Council's website.

Note: Under the Openness of Local Government Bodies Regulations 2014, any members of the public are allowed to take photographs, film and audio record the proceedings and report on all public meetings (including on social media). If you are recording the meeting, you are asked to act in a reasonable manner and not disrupt the conduct of meetings for example by using intrusive lighting, flash photography or asking people to repeat statements for the benefit of the recording. You may not make an oral commentary during the meeting. The Chair has the power to control public recording and/or reporting so it does not disrupt the meeting

Mobile Phones, Pagers and Similar Devices – All persons attending this meeting are required to turn off Mobile Phones, Pagers and Similar Devices. The Chair may approve an exception to this request in special circumstances

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AGENDA 03/06/24 v1

1 Apologies for Absence

To receive apologies for absence

2 Declarations and Disclosable Pecuniary Interests

To receive Declarations of interest for items on the Agenda and receipt of requests for new Disclosable Pecuniary Interests (DPIs) dispensations for items on the Agenda

3 Admission to Meetings

In consideration of the Public Bodies (Admission to Meetings) Act 1960 (publicity would be prejudicial to the public interest by reason of the confidential nature of the business to be transacted): to agree any items to be dealt with after the public and press have been excluded

4 Public Participation

To allow members of the public present to submit questions/comments for consideration
Individual contributions will be limited to 3 minutes

5 To review Terms of Reference and make recommendations (if appropriate)

FINANCE TERMS OF REFERENCE.docx

6 Minutes

To receive the Minutes of the Meeting of the Finance Committee of 25th April 2024 (*minute refs 24/04/01 - 24/04/11*) and to approve the signing of the Minutes by the Mayor as a correct record

FINANCE MINUTES 25 04 24.docx

7 Consideration of Community Grant Applications

8 Consideration of Shop Front Grant Applications

9 Financial Matters

- a. To note the Internal Auditors report and make recommendations (if appropriate)
- b. To note the accounts up to 31st March 2024
- c. To consider an Internal Auditor for 2024/25

2023 OSM TC Report.pdf

2024 AGAR Final OSM TC .pdf

2024 OSMTC Letter.pdf

10 Consideration of application from Ottery St Mary Cricket Club

11 To review Section 106 monies available and make recommendations (if appropriate)

TERMS OF REFERENCE – JUNE 24

FINANCE COMMITTEE

The Committee will consist of not more than 6 members plus the Mayor and Deputy Mayor whom shall be ex-officio, with full voting rights. The Committee will also have **delegated powers** to act on behalf of the Full Council in relation to the defined terms of reference only; any recommendations outside the Committee's terms of reference shall be made to the full Council. The Committee shall not have delegated authority with regards to approving the annual precept or borrowing monies, as these matters must be determined and approved by Full Council

A Chair and Vice Chair will be elected at the Annual Meeting of the Council or at the earliest opportunity following that meeting. A quorum will consist of 3 members. The Clerk is responsible for calling the first meeting in each year and the Chair will call all subsequent meetings in that year. The Committee will have the power to establish working groups reporting back to this Committee. The Responsible Finance Officer will also attend any meetings.

The Committee shall have delegated authority to incur expenditure which is in accordance with the delegation provisions of the Council's Financial Regs

The Committee will meet as required to discuss any matters relating to finance in addition to that considered monthly by the full Council. The Committee will receive at the time of the meeting statements of income and expenditure, reports monitoring income and expenditure against budget, details of urgent expenditure and expenditure over and above the Council's budget.

The Committee will meet to consider and recommend for approval the Council's annual revenue budgets and precept. The Committee will also receive the annual accounts for approval to full Council and consider the audit report prior to Council approval.

The Committee will be responsible for the risk register and maintenance of the register before approval is received from full Council. It will also be responsible for all insurance and audit matters relating to the Council.

The Committee will be responsible for considering grant applications received by the Council. ~~and recommending to full Council the extent of any grant made by the Council.~~ The Committee has the authority to approve community grants up to £2,500. Grant applications above £2,500 will be classed as a large grant and a recommendation will be made to the Full Council

The Committee will oversee the production of the annual report.

Documentation

Minutes of all meetings will be recorded by the Clerk and circulated at Full Council meetings of the Council. All recommendations to Full Council shall be recorded in the minutes of the meetings.

Review

The Finance Committee's Terms of Reference are to be reviewed annually at the first meeting after the Annual Council meeting



Ottery St Mary Town Council

Minutes of the **FINANCE COMMITTEE MEETING** of **OTTERY ST MARY TOWN COUNCIL** held in the Meeting Room, 8 Broad Street, Ottery St Mary EX11 1BZ on **THURSDAY 25TH APRIL 2024 at 4.00PM**

PRESENT: Councillors Stewart (**Chair and Deputy Mayor**), Grainger (**Mayor and Deputy Chair**), Green, Lucas and Kerry Kennell, Clerk

F24/04/01

TO RECEIVE APOLOGIES FOR ABSENCE

Cllr Aherne

F24/04/02

TO RECEIVE DECLARATIONS OF INTEREST FOR ITEMS ON THE AGENDA AND RECEIPT OF REQUESTS FOR NEW DISCLOSABLE PECUNIARY INTERESTS (DPIS) DISPENSATIONS FOR ITEMS ON THE AGENDA

Cllr Stewart	No interests declared
Cllr Grainger	No interests declared
Cllr Lucas	No interests declared
Cllr Green	No interests declared

F24/04/03

IN CONSIDERATION OF THE PUBLIC BODIES (ADMISSION TO MEETINGS) ACT 1960 (PUBLICITY WOULD BE PREJUDICIAL TO THE PUBLIC INTEREST BY REASON OF THE CONFIDENTIAL NATURE OF THE BUSINESS TO BE TRANSACTED): TO AGREE ANY ITEMS TO BE DEALT WITH AFTER THE PUBLIC AND PRESS HAVE BEEN EXCLUDED

It was **RESOLVED** that the following items will be discussed in confidential session: Agenda item 6 Consideration of Community Grant Applications and Agenda item 7 Consideration of Shop Front Grant Applications.

F24/04/04

TO ALLOW MEMBERS OF THE PUBLIC PRESENT TO SUBMIT QUESTIONS/COMMENTS FOR CONSIDERATION

There was none.

F24/04/05

TO APPROVE AND SIGN THE MINUTES OF THE FINANCE COMMITTEE MEETING OF 21ST FEBRUARY 2024 (minute refs *F24/02/01 - F24/02/11*)

The Minutes of the Finance Committee Meeting of 21st February 2024 (minute refs *F24/04/01 - F24/04/11*) were approved and signed as a true record of the meeting by the Chair.

Chair`s Initials.....

Under s.1 (2) of the Public Bodies (Admission to Meetings) Act 1960, the council resolved to exclude the press and public from the meeting since publicity would be prejudicial to the public interest by reason of the confidential nature of the business to be transacted.

F24/04/06

CONSIDERATION OF COMMUNITY GRANT APPLICATIONS

Organisation	Amount requested	Recommendation
Ottery Carnival Committee	£500-£1000	It was RECOMMENDED that a Teams meeting will be arranged as the applicant was unable to attend this meeting.
Ottery Writers	£300	It was RECOMMENDED that £150 is awarded for the prizes AND the Council should be visible as the sponsor of the prizes.
Ottery St Mary Cricket Club	£20,000	It was AGREED that this application is neither a Community Grant nor a Large Grant. The Clerk will ask EDDC whether this project is eligible for Section 106 funding as the project has already commenced. It was AGREED the Cricket Club will be asked to complete a Project Assessment form as per the Strategic Plan.

F24/04/07

CONSIDERATION OF SHOP FRONT GRANT APPLICATIONS

Organisation	Amount requested	Recommendation
White Opal Aesthetics	£500	It was RECOMMENDED that £445 is paid.
Grace Hair	£2268	It was RECOMMENDED that £500 is paid.
RIO	£500	It was RECOMMENDED that £250 is paid.

The confidential session ended.

F24/04/08

TO REVIEW THE LARGE GRANT APPLICATION POLICY AND UPDATE IT TO STATE THAT THE PROJECT MANAGEMENT PROCESS WILL BE USED

It was **RESOLVED** that the policy is updated to say that for any grant application above £2,500 the strategic analysis tools will be utilised.

Chair`s Initials.....

It was **RECOMMENDED** that The Large Grant Application Policy is updated to state that Applications for works which have already been started will not normally be eligible for grants unless exceptional circumstances have been presented.

F24/04/09

TO REVIEW THE FINANCIAL LIMITS FOR COMMUNITY GRANT APPLICATIONS AND UPDATE THE POLICY ACCORDINGLY

It was **RECOMMENDED** that the Terms of Reference are updated to give the Finance Committee the authority to approve community grants up to £2,500. Grant applications above £2,500 will be classed as a large grant and a recommendation will be made to the Full Council.

F24/04/10

TO APPROVE THE UPDATED ASSET REGISTER

It was **RECOMMENDED** that the updated Asset Register should be approved.

F24/04/11

TO RECEIVE COUNCILLORS' QUESTIONS RELATING TO FINANCE

There were none.

The Meeting ended at 5.35pm

<i>SIGNATURE OF CHAIR</i>	
<i>DATE OF SIGNATURE</i>	

Chair`s Initials.....

Alison Marshall - Local Council Administration Services

Dinneford House, Dinneford Street, Thorverton, Devon EX5 5NU

t. 07801 575521/01392 861228 e. alisonmarshall.lcas@gmail.com

To: Ottery St Mary Town Council

Date: 24th May 2024

Internal Audit Report – year ending 31/03/2024

All Councils are required to implement an annual independent Internal Audit examination of its accounts, accounting processes and internal controls. The aim of this is to ascertain whether the systems of financial and other internal controls, over its activities and operating procedures, are effective. A sample system has been used, as felt appropriate for the size of the Council, to test these processes.

This report details the results of the audit which has been carried out in accordance with the requirements of the Governance and Accountability Practitioners Guide. The report may contain recommendations for Council consideration.

Standard Documentation and Information

- Internal control systems – in place and regularly tested by the Council.
- Financial Regulations, Standing Orders – in place and reviewed annually. I recommend that the Council considers the new 2024 version Financial Regulations published by NALC.
- Code of Conduct – an updated version of the document has been adopted but it appears that the old version is still showing on the website, I recommend this is updated. Councillors have attended training on the topic which evidences good practice.
- Transparency Code for larger authorities – applies. The website holds the required information to comply with the Code. The grant funding information needs updating.
- Website Accessibility Statement, Privacy Statement – both in place.
- Council Membership – new Councillors have joined through the year and the correct processes appear to have been followed. Council is currently at full membership.
- Trust – not applicable.

Public Funds

- Payment controls – in place and the Finance Committee and Full Council regularly complete checks of the accounts and payments to confirm accuracy.
- General Power of Competence – held and correctly minuted. Section 137 does not apply.
- Purchase and payment documentation – thorough, cross checks evidenced no issues.
- VAT – requirements appear to have been adhered to.
- Petty Cash – records appear to be in order and regular reconciliations have been completed.
- Borrowing – loan repayments have been evidenced. I recommend that the loan balance is checked to the AGAR figure by full Council prior to sign off and submission of the audit documents.
- Accounts/cashbook – in order and overseen by an external Accountant. The Income and Expenditure method has been correctly used along with the correct year-end date of 31st March.
- 'Other' income – from burials, allotments, grants and rents has been documented.
- Councillor allowances – processed through PAYE, as required.
- Debit card – used with any balance cleared / accounted for monthly.

Risk Management and Budget Control

- Risk Management Policy, Statement of Internal Control – both in place and have been reviewed annually by the Council. Note: annual review dates should be noted on website versions of policies.
- Annual general insurance – in place and has been reviewed and updated recently. The high annual renewal premium is due to claims.
- Budget – a document has been produced by the Council, with support from the Accountant. The agreed budget figures have been used to set the precept which has been fully documented. Reviews against budget have taken place regularly.
- Reserve funds – a document is in place justifying the high total of earmarked and general reserve funds currently in place. The Council has overseen a recent review of all reserved funds.
- IT and Website backup – dealt with regularly and a policy is in place.
- Meeting agendas – in good order.
- Meeting minutes – in good order. Hard copy final versions of meeting minutes have been dealt with and signed off appropriately.
- Annual Parish/Town Meeting - there was no Annual Parish Meeting held in 2023 and as this is a **statutory requirement** I recommend that this is addressed from this year on.
- Information Commissioners Office (ICO) – annual membership has been confirmed.
- Data protection/privacy policy, publication scheme, freedom of information scheme, complaints and CCTV policy – in place, along with several other policies, evidencing good practice.
- Committees – in place with relevant Terms of Reference held and regularly reviewed.
- Play equipment – regular checks have been carried out by the District Council.
- Burial process – the ICCM process is followed, records are kept via the accounts system, but Council does not currently check the burial records for accuracy. I recommend this is done.
- Allotment renewal process – contracts are ongoing, records are kept via the accounts system but Council does not currently check the records for accuracy. I recommend this is done.

Employment

- Contracts of Employment – in place for the three employees. The Council remains short staffed and I recommend that this matter is given priority due to the risks this can cause.
- PAYE/payroll/pensions – payroll is outsourced and the documents viewed appear to be in order. Tax, national insurance and pension deductions have been evidenced and paid to the relevant sources. NEST pensions are held and the paperwork appears to be in order. The Pension Regulator information has not been viewed and I recommend that it is checked by the Council for accuracy.
- Salary increase, overtime, annual reviews – all have taken place and have been minuted. There is a process in place for authorising overtime. As it would be usual for full Council to authorise overtime I recommend that this is considered.

Asset Control

- Asset Register – the document has been updated and published but is not easy to understand. The layout of the document is currently under review and I recommend that the completion of this important document is prioritised by the Council.

Banking and Bank Reconciliations

- Bank reconciliations – produced monthly, shared with the Council and signed off.
- Internet Banking – used. Transactions have been regularly checked by the Finance Committee for accuracy.
- Authorised Bank Signatories – currently standing at three and I recommend that this is increased to at least four as soon as possible (excluding the RFO).

Year End

- Year-end to 31/03/2023 – the External Auditor advised of a transposed figure on the AGAR document which has now been dealt with.
- Year-end to 31/03/2024 – the documents are currently being finalised. I have agreed the year-end draft bank reconciliation but have not been able to check the debtors/creditors balances or agree the AGAR difference between boxes 7 and 8. I recommend that this is done by full Council prior to signing the AGAR documents and submitting them to the External Auditor.
- Exercise of Public Rights 2023 – the process has been correctly followed, the dates are in order and the document has been published on the website.

Summary

It is my opinion that Ottery St Mary Town Council has followed proper practices during the past year and that it has good systems of internal control in place. The documentation viewed was of a good standard. A few recommendations appear within this report which, if actioned, will further support the Council in lowering risk going forward.

Alison Marshall – May 2024

Annual Governance and Accountability Return 2023/24 Form 3

To be completed by Local Councils, Internal Drainage Boards and other Smaller Authorities*:

- where the higher of gross income or gross expenditure exceeded £25,000 but did not exceed £6.5 million; or
- where the higher of gross income or gross expenditure was £25,000 or less but that:
 - are unable to certify themselves as exempt (fee payable); or
 - have requested a limited assurance review (fee payable)

Guidance notes on completing Form 3 of the Annual Governance and Accountability Return 2023/24

1. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 **must** complete Form 3 of the Annual Governance and Accountability Return at the end of each financial year in accordance with *Proper Practices*.
2. **The Annual Governance and Accountability Return is made up of three parts, pages 3 to 6:**
 - The **Annual Internal Audit Report** **must** be completed by the authority's internal auditor.
 - **Sections 1 and 2** **must** be completed and approved by the authority.
 - **Section 3** is completed by the external auditor and will be returned to the authority.
3. The authority **must** approve Section 1, Annual Governance Statement, before approving Section 2, Accounting Statements, and both **must** be approved and published on the authority website/webpage **before 1 July 2024**.
4. An authority with either gross income or gross expenditure exceeding £25,000 or an authority with neither income nor expenditure exceeding £25,000, but which is unable to certify itself as exempt, or is requesting a limited assurance review, **must** return to the external auditor by email or post (not both) **no later than 30 June 2024**. Reminder letters will incur a charge of £40 +VAT:
 - the Annual Governance and Accountability Return Sections 1 and 2, together with
 - a bank reconciliation as at 31 March 2024
 - an explanation of any significant year on year variances in the accounting statements
 - notification of the commencement date of the period for the exercise of public rights
 - Annual Internal Audit Report 2023/24

Unless requested, do not send any additional documents to your external auditor. Your external auditor will ask for any additional documents needed.

Once the external auditor has completed the limited assurance review and is able to give an opinion, the Annual Governance and Accountability **Section 1, Section 2 and Section 3 – External Auditor Report and Certificate** will be returned to the authority by email or post.

Publication Requirements

Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website/webpage:

Before 1 July 2024 authorities **must** publish:

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited;
- **Section 1 - Annual Governance Statement 2023/24**, approved and signed, page 4
- **Section 2 - Accounting Statements 2023/24**, approved and signed, page 5

Not later than 30 September 2024 authorities **must** publish:

- Notice of conclusion of audit
- **Section 3 - External Auditor Report and Certificate**
- **Sections 1 and 2 of AGAR** including any amendments as a result of the limited assurance review. It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.

The Annual Governance and Accountability Return constitutes the annual return referred to in the Accounts and Audit Regulations 2015. Throughout, the words 'external auditor' have the same meaning as the words 'local auditor' in the Accounts and Audit Regulations 2015.

*for a complete list of bodies that may be smaller authorities refer to schedule 2 to the Local Audit and Accountability Act 2014.

Guidance notes on completing Form 3 of the Annual Governance and Accountability Return (AGAR) 2023/24

- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this AGAR. *Proper Practices* are found in the *Practitioners' Guide** which is updated from time to time and contains everything needed to prepare successfully for the financial year-end and the subsequent work by the external auditor.
- Make sure that the AGAR is complete (no highlighted boxes left empty) and is properly signed and dated. Any amendments must be approved by the authority and properly initialled.
- The authority **should** receive and note the Annual Internal Audit Report before approving the Annual Governance Statement and the accounts.
- Use the checklist provided below to review the AGAR for completeness before returning it to the external auditor by email or post (not both) no later than 30 June 2024.
- The Annual Governance Statement (Section 1) must be approved on the same day or before the Accounting Statements (Section 2) and evidenced by the agenda or minute references.
- The Responsible Financial Officer (RFO) must certify the accounts (Section 2) before they are presented to the authority for approval. The authority must in this order; consider, approve and sign the accounts.
- The RFO is required to commence the public rights period as soon as practical after the date of the AGAR approval.
- You must inform your external auditor about any change of Clerk, Responsible Financial Officer or Chair, and provide relevant authority owned generic email addresses and telephone numbers.**
- Make sure that the copy of the bank reconciliation to be sent to your external auditor with the AGAR covers all the bank accounts. If the authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree the bank reconciliation to Box 8 on the accounting statements (**Section 2, page 5**). An explanation **must** be provided of any difference between Box 7 and Box 8. More help on bank reconciliation is available in the *Practitioners' Guide**.
- Explain fully significant variances in the accounting statements on **page 5**. Do not just send a copy of the detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete numerical and narrative analysis to support the full variance.
- If the bank reconciliation is incomplete or variances not **fully** explained then additional costs may be incurred.
- Make sure that the accounting statements add up and that the balance carried forward from the previous year (Box 7 of 2023) equals the balance brought forward in the current year (Box 1 of 2024).
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the commencement date for the exercise of public rights of 30 consecutive working days which **must** include the first ten working days of July.
- The authority **must** publish on the authority website/webpage the information required by Regulation 15 (2), Accounts and Audit Regulations 2015, including the period for the exercise of public rights and the name and address of the external auditor **before 1 July 2024**.

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
All sections	Have all highlighted boxes have been completed?		
	Has all additional information requested, including the dates set for the period for the exercise of public rights , been provided for the external auditor?		
Internal Audit Report	Have all highlighted boxes been completed by the internal auditor and explanations provided?		
Section 1	For any statement to which the response is 'no', has an explanation been published?		
Section 2	Has the Responsible Financial Officer signed the accounting statements before presentation to the authority for approval?		
	Has the authority's approval of the accounting statements been confirmed by the signature of the Chair of the approval meeting?		
	Has an explanation of significant variations been published where required?		
	Has the bank reconciliation as at 31 March 2024 been reconciled to Box 8?		
	Has an explanation of any difference between Box 7 and Box 8 been provided?		
Sections 1 and 2	Trust funds – have all disclosures been made if the authority as a body corporate is a sole managing trustee? NB: do not send trust accounting statements unless requested.		

***Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices**, can be downloaded from www.nalc.gov.uk or from www.ada.org.uk

Annual Internal Audit Report 2023/24

ENTER NAME OF AUTHORITY

ENTER PUBLICLY AVAILABLE WEBSITE/WEBPAGE ADDRESS

During the financial year ended 31 March 2024, 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 2023/24 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 2022/23, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2022/23 AGAR tick "not covered")</i>			
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 <i>(during the 2023-24 AGAR period, were public rights in relation to the 2022-23 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set)</i> .			
N. The authority has complied with the publication requirements for 2022/23 AGAR <i>(see AGAR Page 1 Guidance Notes)</i> .			

O. (For local councils only)	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.			

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

Name of person who carried out the internal audit

DD/MM/YYYY DD/MM/YYYY DD/MM/YYYY

ENTER NAME OF INTERNAL AUDITOR

Signature of person who carried out the internal audit

SIGNATURE REQUIRED

Date

DD/MM/YYYY

***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).

Section 1 – Annual Governance Statement 2023/24

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 2024, that:

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

***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 Chair and Clerk of the meeting where approval was given:

Chair

SIGNATURE REQUIRED

Clerk

SIGNATURE REQUIRED

ENTER PUBLICLY AVAILABLE WEBSITE/WEBPAGE ADDRESS

Section 2 – Accounting Statements 2023/24 for

ENTER NAME OF AUTHORITY

	Year ending		Notes and guidance
	31 March 2023 £	31 March 2024 £	
1. Balances brought forward			<i>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.</i>
2. (+) Precept or Rates and Levies			<i>Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.</i>
3. (+) Total other receipts			<i>Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.</i>
4. (-) Staff costs			<i>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.</i>
5. (-) Loan interest/capital repayments			<i>Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).</i>
6. (-) All other payments			<i>Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).</i>
7. (=) Balances carried forward			<i>Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).</i>
8. Total value of cash and short term investments			<i>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.</i>
9. Total fixed assets plus long term investments and assets			<i>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.</i>
10. Total borrowings			<i>The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).</i>

For Local Councils Only	Yes	No	N/A	
11a. Disclosure note re Trust funds (including charitable)				<i>The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.</i>
11b. Disclosure note re Trust funds (including charitable)				<i>The figures in the accounting statements above exclude any Trust transactions.</i>

I certify that for the year ended 31 March 2024 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 Chair of the meeting where the Accounting Statements were approved

SIGNATURE REQUIRED

Section 3 – External Auditor’s Report and Certificate 2023/24

In respect of

ENTER NAME OF AUTHORITY

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 2024; 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 2023/24

(Except for the matters reported below)* on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return 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. (*delete as appropriate).

(continue on a separate sheet if required)

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

(continue on a separate sheet if required)

3 External auditor certificate 2023/24

We certify/do not 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 2024.

*We do not certify completion because:

External Auditor Name

ENTER NAME OF EXTERNAL AUDITOR

External Auditor Signature

SIGNATURE REQUIRED

Date

DD/MM/YYYY

Dinneford House, Dinneford Street, Thorverton, Devon EX5 5NU
t. 07801 575521/01392 861228 e. alisonmarshall.lcas@gmail.com

The Clerk
Ottery St Mary Town Council
Council Offices
The Old Convent
8 Broad Street
Ottery St Mary
Devon EX11 1BZ

Date: 24th May 2024

Dear Kerry,

Please find enclosed the completed internal audit documents for year-end 31st March 2024. I have popped a hard copy with 'wet' signatures in the post to you, please share the details with the Council at your own convenience. If there are any queries at all, don't hesitate to get back to me.

Following careful consideration, I have decided not to continue with internal audit work going forward due to increased demands on my personal life. Due to this, I will not be available to take on any further work for the Town Council. I would, therefore, like to take this opportunity to wish you and the Council all the very best going forward. Regarding a replacement internal auditor, I understand that SLCC holds a list that might be useful.

Kind regards,

Alison
Alison Marshall – Local Council Administration Services
Encs.

12 To note any specific correspondence received

13 To receive any further recommendations from Members

14 To receive Councillors questions

15 Date of the next meeting: To be confirmed

Reports & Appendix 1