

# KETTERING TOWN COUNCIL

## REPORT FOR DECISION

Item No:- 24/014

Committee:-	COUNCIL
Date:-	15 <sup>th</sup> May 2024
Author:-	Martin Hammond, Clerk
Report Title:-	Annual Governance Statement
Wards Affected:-	None

### 1. Purpose of Report

To submit the internal audit report and seek approval for the annual governance statement and the statements of account for 2023/4 financial year.

### 2. Recommendations

Council is recommended to

- a) Accept the annual internal audit report for 2023/24 financial year
- b) Approve the Annual Governance Statement for 2023/4 and authorise the Mayor and clerk to sign it
- c) Approve the Accounting Statements for 2023/24 and authorise the Mayor and clerk to sign it.
- d) Agree the period allowed for public inspection of the accounts should run from 10<sup>th</sup> June until 19th July 2024

### 3. Information

- 3.1. At the conclusion of each financial year, the Council is required to prepare and submit an Annual Governance Statement and a Statement of Accounts, which form the basis of the external audit that takes place later in the year. In doing so, the Council must have regard to the internal audit report and the auditor's confirmation as to the accuracy of the submission.

The statements taken together are referred to as the AGAR (annual governance and accountability return).

- 3.2. The attached AGAR (Appendix One) comprises two sections therefore – one describing the Council’s processes for ensuring probity and financial controls (pages 3 and 4) and the second summarising the receipts and payments made during the financial year (page 5) Both then have to be signed by the chair of the meeting and the clerk, and they must be approved in that order.
- 3.3. Once approved, the Council must publish the AGAR and other associated documents and also publish the dates during which members of the public may arrange to inspect the accounts. The documents must be submitted to the external auditors by 1<sup>st</sup> July and the period of inspection must last for a period of thirty working days including the period 1<sup>st</sup>-14<sup>th</sup> July. The material must be freely available on the Council’s website.
- 3.4. These accounts have been prepared on an *income and expenditure basis* (that is, they record the payments and receipts which relate to activity in the financial year, whenever received) not simply those payments and receipts made between the start and end of the year). The Finance and Governance Committee has throughout the year, been receiving monthly and year end reports which take an income and expenditure approach, to give assurance and support financial planning,
- 3.5. It is necessary to identify and explain changes in spending for each budget heading which varies by more than 15% from the previous year. In our case, that requirement affects almost every budget heading because we are comparing two years with quite different budgets.
- 3.6. The attached annual submission restates the 22/23 figures by £202, to reflect the fact that the VAT refund was £202 higher than it should have been in that financial year, a position corrected with HMRC in early 23/4.
- 3.7. The Internal auditor’s report is attached as Appendix Two to this report. It will be reviewed in detail by the Finance and Governance Committee at its next meeting.

#### **4. Consultation and Engagement**

This is a statutory process with opportunities for electors and taxpayers to examine the accounts once they have been available in July.

## 5. Finance, Legal and Resource Implications

5.1. The form, content and timetable for the AGAR is set out in the 2015 Audit and Accounting Regulations – regulation 11.

5.2. The Council ended the year with approximately £261,460 in its various bank accounts, including £230,000 in reserves or for earmarked purposes. £100,000 of that is reserved for the public toilets scheme, so can be expected to be used during 2024-5. After year end adjustments have all been cleared through the system, the Council will have, at year end:-

- £ 1,623 unspent in the lottery account
- £ 93,509 in general reserves
- £100,000 in the public toilets fund
- £ 36,491 in the elections reserve
- £ 31,861, in the current account; of which
  - £11550 will be used to support the 24-5 budget
  - £ 2900 will be used for specific purposes related to commitments made during the 23/4 year
  - £17411 will be put into balances.

(Total £263,484)

5.3. The Council spent a total of £332,769 before VAT in the year. All VAT paid out during the course of the year has been repaid by HMRC. The total net contributions to balances in the year was £91,536.

5.4. Income in the year comprised:-

Precept	£400,000
Markets and events income	£ 13,138
Allotment rents	£ 1,215
Lottery supporters income	£ 6,346
Insurance claim	£ 2,801
Bank Interest	£ 4,704
Charity administration recharges	£ 813
Other grants and income	£ 3,268

£432,285

## 6. Policy Implications

The Council's corporate plan states "*The Council will function as efficiently and effectively as it can, as a steward of the public money with which it is entrusted*".

Background Papers

Financial accounting information  
AGAR advice notes and guidance  
Internal audit commentary on draft submission.

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05/05/24

