24/30-2

ATC Annual Governance Statement 2023/24 - Councillors' Briefing

Purpose of Briefing:

To enable members to be assured that providing 'YES' responses to the Governance Statements contained within Section 1 of the Annual Return is appropriate and justified.

Box No.	Governance Statement	Evidence to Support a 'Yes' Response
1	We have put in place arrangements for effective financial management during the year, and for the preparation of accounting statements.	The Council approved during budget setting to appoint ACCLC to conduct yearend close-down and generate 2022/233 accounts information on Rialtas Omega software. Financial reports, including year-to-date Income & Expenditure compared to current year budget and balance sheets have been considered by Council, each month and EMR's were reviewed periodically with recommendations for transfers to, or from EMR's considered and approved by Council. The "accounting statements" as provided in Section 2 of the Annual Return was prepared by the RFO[1] and verified by the Internal Auditor as being correct during his internal audit 08/05/2024. The RFO has also prepared a full set of 'Financial Reports' comprising of a Balance Sheet, Income & Expenditure Account and Notes to the Accounts which includes Fixed Asset, Bank and Reserves Reconciliation's which has been provided to all members for Council approval on 18th June 2024. The Clerk has referred to the latest edition of 'Governance & Accountability for Local Councils – A Practitioners Guide March 2023' to prepare the same. A budget was presented, amended and re-presented to council for approval before setting the precept and before new financial year began (meetings November 2023 pg. 40 Min 23/098.9 and December 2023 pg.51 Min 23/116.6) Precept submission approved January 2024 pg.56 Min 23/132.1. The council conduct an investment review at least annually and are presented with bank balances data monthly to ensure invested appropriately in accordance with councils investment strategy.
2	We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	The council approved to undertake and approve a 'Review of the Effectiveness of Systems of Internal Control' twice during each year[2]. These reviews were conducted in October and February (refer to minutes 17/10/23 pg.31 Min:23/077.1 and 20/02/24 pg.62 Min: 23/148.4). A copy of the 'Review'[3] is available from the Clerk if required. Financial Regulations and Standing Orders are reviewed at least annually and are based on NALC models published.
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.	The council's memberships to NALC and SLCC county associations have been maintained – these organisations provide updates/briefings and advice on regulations and proper practices. The council has reviewed its Standing Orders and Financial Regulations during the year, being the key documents, which govern the Council's business and financial practices. The Clerk has completed CiLCA and is Community Governance Level 4, enabling Council to adopt General Power of competence[4,5]

[1] Local Government Act 1972 s 151 – legal requirement to appoint a Responsible Financial Officer

[2] Accounts and Audit Regulations 2015 Regulation 4 – the authority needs to have satisfied itself that the RFO has determined a system of financial controls and discharged their duties.

[3] Accounts and Audit Regulations 2015 Regulation 6 - - the review needs to inform the authority's preparation of the Annual Governance Statement.

[4] Localism Act 2011 -Qualifying criteria of 2/3 membership filled by elected members achieved – power in place until 2027 elections.

		with Assistant Clerk ILCA qualified. VAT repaid until such time as the CBC roof disputed invoice issue is resolved. Council introduced specific "Cllr .gov.uk" email addresses.
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.	The statutory 'Notice of Appointment of the Date of Electors Rights'[6] for year ended 31/03/23 was displayed within the Parish[7] during the appropriate dates (22/06/2023 to 02/08/2023). Electors have access to all council and committee meetings, unless the business to be transacted is exempt (sch12 LGA 1972). Notice of conclusion of Audit was published[8] electronically and conspicuously in the parish.
5	We carried out an assessment of the risks facing the council and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	Annual Risk Assessments were undertaken during the year and approved by the Council in February 2024 (Council Minutes 20/02/2024, pg.62 Min 23/148.5). A copy of the 'Risk Assessments' and associated documents are available from Clerk. The Insurance Policy was reviewed by Council in May 2023 and Zurich Municipal was contracted for a period of 5 years ending 2024 with fidelity guarantee was increased to £1million to accommodate and protect bank balances held March 2024 pg.74 Min 23/163.16.
6	We maintained throughout the year an adequate and effective system of internal audit of the council accounting records and control systems.	Council conducted a 'Review of Effectiveness of Internal Audit' during the year (Council Minutes 20/02/24, pg.62 Min: 23/148.6 Internal Audit appointment is for minimum 3years; last reviewed in April 2019. Internal Audit, Interim and Year-End Reports, are provided to all members and appropriate action taken according to recommendations received therein.
7	We took appropriate action on all matters raised in reports from internal and external audit.	Council acknowledged receipt of Internal Auditors Report for year ended 31st March 2023 at its meeting held 20/06/23 pg.13 Min:23/030.1 no observations requiring council consideration were raised. The External Auditor's report was acknowledged as raising no issues for review 19/09/23 pg.26 Min:23/061.6.
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.	The accounts are prepared on an 'accruals basis' accounting for all income/expenditure earned/incurred during the financial year. Events/transactions which have resulted in a debt owed to or by the council are stated within the accounting statements as 'Debtors' and 'Creditors'. An EMR to ring fence funds offered in full and final settlement for disputed landlord roof invoice was created and increased, if arbitration is pursued sufficient funds are available to vire from a Community Development reserve to cover expenditure mitigating risk of insufficient fund availability.
9	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.'	The council does not presently act as Trustee for any other organisation.

RECOMMENDATION
Members to approve 'YES' responses to Governance Statements 1 to 8, and 'N/A' response to Statement 9.

Briefing prepared by:
Janet Bailey, Town Clerk 4th June 2024

[5] Parish Councils (General Power of Competence) (Prescribed Conditions) Order 2012.
[6] Local Audit & Accountability Act 2014 Ss 26 & 27
[7] Accounts and Audit Regulations 2015 Part 5
[8] Accounts and Audit Regulations 2015 Regulation 16

Section 1 – Annual Governance Statement 2023/24

We acknowledge as the members of:

ARLESEY 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 2024, that:

	Agreed Yes	Agreed No*	'Yes' means that this authority:
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.*

	Yes	No	N/A	
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.			✓	*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:

18 06 2024.

and recorded as minute reference:

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

Chair

Clerk [signature]

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