



Meeting	Full Council
Date	21 June 2023
Report Title	Year End Accounts and Financial Statements for 2022/23
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1.0 PURPOSE OF REPORT

1.1 To present the recommendations from the Strategy and Resources (S&R) Committee meeting held on 7 June 2023, namely that:

- i. The Annual Governance Statement 2022/2023 within the Annual Governance and Accountability Return (AGAR Form 3) **[APPENDIX A]** be approved and signed;
- ii. The Accounting Statements 2022/2023 within the Annual Governance and Accountability Return (AGAR Form 3) **[APPENDIX A]** be approved and signed;
- iii. The unaudited financial statements for the year ended 31st March 2023 **[APPENDIX B]** are adopted by Chippenham Town Council and signed.

2.0 INTRODUCTION AND BACKGROUND INFORMATION

2.1 Chippenham Town Council is required to produce an Annual Governance and Accountability Return (AGAR Form 3). This is subject to a Limited Assurance Audit by External Auditors and includes a report from the Council's Internal Auditors. The Council also prepares Financial Statements that are made available to the public for examination.

3.0 ANNUAL GOVERNANCE AND ACCOUNTABILITY RETURN, AUDIT AND FINANCIAL STATEMENTS

Limited Assurance Audit (External Audit)

- 3.1 Since 2010, Chippenham Town Council has been subject to the Limited Assurance Audit regime which requires the Council to produce an Annual Governance and Accountability Return which is subject to a 'desk top' audit by PKF Littlejohn LLP, its appointed external auditors. PKF Littlejohn will commence their audit following adoption of the Annual Governance and Accountability Return at this meeting of Full Council.
- 3.2 This external audit process gives the electorate the opportunity to examine the Council's accounts and to raise any issues with the external auditor (in accordance with the Local Audit and Accountability Act 2014). The examination period will commence on 23 June 2023 for a period of 30 working days. During this time, any person may inspect and make copies of the accounts and any related paperwork. During the same period they may ask the auditor about the accounting records and object to the

accounts or any item within them. Written notice of an objection must be given to the external auditor and a copy sent to the authority. Objections must concern a matter of which the external auditor could make a public interest report or apply for a declaration that an item of account is unlawful.

- 3.3 The Annual Governance Accountability Return (AGAR) contains three sections, the first two of which must be signed off by Full Council. These statements must be dealt with separately and sequentially, signed and minuted.
- i. Section One is the Annual Governance Statement which states that the authority has in place sound systems of internal control, to be agreed by Full Council at this meeting;
 - ii. Section Two is the Accounting Statements (the year end accounts figures), to be agreed by Full Council at this meeting;
 - iii. Section Three is the External Auditor Report and Certificate. This will be completed by PKF Littlejohn LLP at the end of their audit work.

Internal Audit

- 3.4 Chippenham Town Council has appointed Auditing Solutions as its Internal Auditors. Auditing Solutions conduct an agreed programme of audit reviews, attending the Town Hall on several occasions during the year to conduct their audit work and produce regular reports that are brought to the Council for scrutiny. Auditing Solutions made audit visits throughout the year and have signed the Annual Internal Audit Report 2022/23 section of the Annual Governance and Accountability Return on 30 May 2023. They conclude that ‘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’.

Financial Statements

- 3.5 Chippenham Town Council produces a full set of financial accounts, in accordance with the Financial Reporting Standard for Smaller Entities (FRSSE) regulations, to give a comprehensive statement of the Council’s financial position and provide year-on-year comparisons.
- 3.6 Income & Expenditure Summary for the year ending 31st March 2023:
- Chippenham Town Council generated a Net Income & Expenditure Deficit of -£39,094 as shown in the Unaudited Financial Statements. This is a consolidation of all income and expenditure to the Council during the year, both through the Income & Expenditure Account (I&E) added to General Reserves (as reported to the S&R Committee each quarter by way of its Management Accounts) and through Capital/Ear Marked Fund Reserves (C/EMFs) in the Balance Sheet. The Net Income & Expenditure Deficit of -£39,094 is a combination of a General Reserves surplus £47,956 and a C/EMFs deficit of -£87,050;
 - The Management Accounts I&E outturn was initially a surplus of £145,349, however at its meeting on 15 February 2023 the S&R Committee approved that any excess above an amount necessary to maintain General Reserves at the level of 25% of Precept be transferred to C/EMFs at year end. Therefore £97,393 has been transferred to C/EMFs,

leaving a Surplus of £47,956 being added to General Reserves. The General Reserve is now £899,669, being 25% of the 2022/23 Precept £3.6m in line with Council policy;

- The expenditure through C/EMFs in the Balance Sheet exceeded the income received in the year resulting in a deficit of -£87,050 in income and expenditure through the Balance Sheet. The main income in the year was £313,988 from the Community Infrastructure Levy (CIL), however in January 2022 Full Council approved a planned Capital Expenditure programme in excess of in-year income;
- In addition to the General Reserves balance of £899,669, the balance of Capital/Ear Marked Reserves at the end of the 2022/23 financial year was £2,166,764.

3.7 Before the transfer of £97k to C/EMFs, the original Management Accounts Income & Expenditure surplus of £145k was a combination of income performing better than budget and expenditure being lower than budget.

Stanley Park income was ahead of budget by £32k and there was also income from a new tenant for Unit 9 Town Hall that had not been budgeted. The national agreed pay award for 2022/23 cost £112k more than budgeted, however its impact has been mitigated by cost savings from unfilled vacant posts during the year, with staff costs finally ending £19k over budget. Insurance costs were also higher than budget by £20k and whilst consultancy fees were over budget, this was offset by savings in the rates cost at the Museum achieved by the consultants engaged to do this work. There were also savings in contract cleaning costs, with cleaning now being done in house, and not all of the Community Donations fund was distributed last year. Elsewhere, there were small cost savings across many expenditure lines.

4.0 CONTRIBUTION TO CORPORATE PLAN PRIORITIES

4.1 Maintain effective and efficient governance and management of resources.

5.0 STAFFING IMPLICATIONS

5.1 There are no staffing implications.

6.0 FINANCIAL IMPLICATIONS

6.1 There are no financial implications.

7.0 LEGAL IMPLICATIONS

7.1 There are no legal implications.

8.0 CLIMATE AND ECOLOGICAL IMPLICATIONS

8.1 This report is administrative and does not have any known direct Climate and Ecological impact.

9.0 RECOMMENDATIONS

9.1 That the following statements within the Annual Governance and Accountability Return (AGAR Form 3) are approved by Full Council and be signed by the Chair and Chief Executive:

- i. The Annual Governance Statement 2022/2023;
 - ii. The Accounting Statements 2022/2023;
- 9.2 That Full Council adopts the unaudited financial statements for the year ended 31st March 2023 for Chippenham Town Council and that these be signed by the Mayor and the Responsible Financial Officer.