



NON-CONFIDENTIAL

Meeting	Council
Date	28 June 2021
Report by	Daniel Williams – Finance Manager
Report title	Annual Governance and Accountability Return 2020/21
Business Plan theme	Run an effective, efficient, low-cost Council administration.

1. Purpose of the report

- 1.1. The Annual Governance and Accountability Return (AGAR) is submitted to Council for approval in accordance with the requirements of the Accounts and Audit (England) Regulations 2015. Details on the AGAR, which must be agreed by Council, is outlined in the report and is subject to external audit review

2. Recommendation

- 2.1. Council is asked to:
- 2.1.1. approve Section 2 of the Annual Governance and Accountability Return 2020/21 setting out the Accounting Statement for the financial year ended 31 March 2021.
 - 2.1.2. approve that the Annual Statements 2020/21 be signed by the Mayor and the Responsible Finance Officer and submitted for Audit.
 - 2.1.3. note that the Annual Internal Audit Report 2020/21 Section has been completed.

3. Background information

- 3.1. The 2015 Regulations require that smaller authorities, such as Local Councils, with income and/or expenditure greater than £25,000 but did not exceed £6.5M should produce and approve an AGAR which is subject to limited assurance external audit. This is in line with proper practices as set out the Governance and Accountability for Smaller Authorities in England.

3.2. Both Sections 1 and 2 of the AGAR must be approved by Council before 1 July 2021 and signed by the person presiding at the meeting, i.e. the Mayor, at which approval has been given.

3.3. The AGAR for the year ended 31 March 2021 is attached for Members to review.

4. Annual Governance Statement – Section 1

4.1. As part of the Council's responsibilities for ensuring a sound system of governance and internal control, Members are required to approve the Annual Governance Statement before the Accounting Statements. This is included elsewhere on the agenda.

5. Accounting Statements – Annual Return – Section 2

5.1. This section of the AGAR summarises the income and expenditure incurred during 2020/21, whether it relates to revenue or capital items.

5.2. Council is required to produce figures on an income and expenditure (accruals) basis and the AGAR includes figures from 2019/20 as a comparison. Appendix A outlines the information included.

5.3. The 2020/21 AGAR shows an overall surplus of £52,043 (box 1 less box 7). This is broken down by a drawdown of £64,432 from the Useable Capital Receipts Reserve, £8,288 drawdown from Earmarked Reserves and a balance being transferred to General Reserves of £20,677.

5.4. At the 31 March 2021 reserves totalling £3,495,105 were held, this includes Useable Capital Receipts of £2,585,568, earmarked reserves of £349,082 and a general reserve of £560,455.

5.5. The principal variations against budget for 2020/21 are set out in a report included elsewhere on this agenda.

6. External Auditor Report and Certificate – Section 3

6.1. This section of the AGAR will be completed by the Council's External Auditors, following their limited assurance review. This review does not include an in depth, on site, examination of the accounting and governance records but is carried out externally off-site based on the return and additional information provided e.g. copies of year statements, bank statements, bank reconciliation, Council minutes and any supporting documentation.

- 6.2. The external auditors changed in 2017/18. This followed the cessation of the Audit Commission and the creation of a new body set-up for Local Council's – Smaller Authorities Audit Appointments Ltd (SAAA) – who oversee the audit services and auditor appointments covering the period 2017/18 to 2021/2022.
- 6.3. PKF Littlejohn LLP are the Council's auditors and are required to complete Section 3 and issue their report before 30 September 2021.

7. Annual Internal Audit Report Section

- 7.1. The internal auditor, Shared Internal Audit Services (SIAS), carries out an independent, risk based, selective assessment of the Council's compliance with relevant procedures and controls.
- 7.2. As in previous years though the Internal Audit consisted of three main sessions with a review of records and control systems carried out in November 2020 and April 2021. Then the year-end work and completing the Annual Governance and Accountability Return in May 2021.
- 7.3. The Internal Audit report for 2020/21 is included elsewhere on the agenda.

8. Resource implications

- 8.1. None.

9. Other implications

Other Implications	Comment
Legal	None
Environment and biodiversity	None
Crime and Disorder	None
Risk/Health & Safety	None

10. Appendices

Appendix A –Annual Governance and Accountability Return 2020/21.