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Briefing Note

Year End Processes

For Finance, Governance & Estates Committee 20 March 2025

Introduction

There are a number of processes that are required to be completed at the financial end of year i.e. 31 March 2025.

These culminate in the preparation of a governance statement, an accounting statement, the report of the internal auditor, and the submission of the annual governance and accountability return (AGAR) to the external auditors.

There is also a requirement to publish a notice to electors that permit them to inspect and make copies of the accounting records for the financial year to which the audit relates and all books, deeds, contracts, bills, vouchers, receipts and other documents relating to those records must be made available for inspection by any person on the electoral role that is interested. Further information and the timetable is set out below.

Annual Governance and Accountability Return

The Council must complete and submit to the external auditor the Annual Governance and Accountability Return (AGAR), which consists of four parts – the internal auditors report (page 3), the Annual Governance Statement (page 4), the Accounting Statements (page 5) and the External Auditor Report and Certificate (page 6). Page 1 and 2 set out the guidance for completion of the forms.

The accounts are prepared on an income and expenditure basis, which means that several adjustments are likely to be needed to be made before finalising the accounts. This detail is covered in a full report later on this agenda.

An adjustment is needed in the following circumstances:

- an invoice is owed by the council for the period up to 31 March 2025 and has not yet been received and/or paid
- an invoice is owed to the council for the period up to 31 March 2025 and has not yet been issued and/or paid
- an invoice for the period after 1 April 2025 and has already been paid by the council
- an invoice for the period after 1 April 2025 and has already been paid to the council

Mulberry & Co are the Parish Council's internal auditor. The year-end internal audit visit involves a review of the Parish Council's financial policies and procedures, confirming the accuracy of the accounting records and checking the preparation for the external audit. The appointment of the internal auditor is within the power of the Parish Council.

Once the internal auditor has completed their report and the Parish Council have agreed and signed the AGAR, there is a requirement under the Local Audit and Accountability Act 2014 and the Accounts and Audit (England) Regulations 2015 to publish a notice of exercise of public rights. This allows members of the public a period in which they can request to review the Parish Council's accounts. The period must be for thirty consecutive working days and must include the first ten working days of July.

Moore (West Sussex) are the Parish Council's external auditor. The external audit involves the submission of the AGAR and other documents as requested by the external auditor. The appointment of the external auditor is decided collectively by the Smaller Authorities Audit Appointments Ltd (SAAA) on a county by county basis.

Although the option exists to opt-out of this arrangement, the Parish Council took the decision to remain within the SAAA appointment arrangements, rather than have to find its own suitably experienced and qualified firm.

Key Dates in Year-End Finance and Governance Process

The following table sets out the key stages over the next six months.

Date - 2025	Tasks
Before 31 March	Parish Council receives AGAR paperwork from external auditor.
31 March	End of financial year 2025.
10 April	Clerk/Responsible Finance Officer (RFO) to complete year-end financial processes and adjustments on accounting system and provisionally completes the Accounting Statement on the AGAR (subject to the internal audit inspection).
29 April	Year-end internal auditor completes internal audit report and signs page 3 of the AGAR.
15 May	Audited AGAR presented to Finance, Governance & Estates Committee who complete/agree Annual Governance Statement (page 4) and confirm Accounting Statement (page 5) for recommendation to Council.
22 May	Council agrees Annual Governance Statement and Accounting Statement, and these are signed by the Chairman and Clerk/RFO.
By 30 June	AGAR and supporting documents send to external auditor (Moore).
By 1 July	Notice of exercise of public rights is published on Parish Council website and Noticeboards. Exact date to be agreed at Council on 22 May.
By 30 September	AGAR returned to Parish Council with page 6 completed by the external auditor.
On receipt of AGAR from external auditor	Notice of conclusion of audit and right to inspect the Annual Return is published on the Parish Council website.

Conclusion

The Committee is asked to note the processes and timetable for the completion of the year end processes and approve the timetable.

RECOMMENDATION: The Committee is asked to **AGREE** the processes and timetable for the completion of the 1 April 2024 to 31 March 2025 year end Annual Governance and Accountability Return.
