

## **Report of the Responsible Financial Officer**

### **External Audit**

1. In common with all other local councils, Berwick Town Council is subject to an annual external audit. The External Auditor is now appointed by Public Sector Audit Appointments Ltd, a function previously undertaken by the Audit Commission. External Auditors are appointed under the provisions of the Local Audit and Accountability Act 2014 on a regional basis to a contract that lasts 5 years.
2. The auditors appointed for Northumberland are PKF-Littlejohn, replacing BDO, the previous contract holder. PKF-Littlejohn now hold the contract for 37 areas and will be auditing approximately 8800 local councils around the country, nearly 90% of the total.
3. All local councils are required to complete an Annual Governance and Accountability Return [AGAR or Annual Return]. As an active council with income or expenditure above £25000, Berwick Town Council, as in past years, is required to complete AGAR part 3.
4. For the year 2017-18, the AGAR part 3 has been slightly redesigned, with some additional information, publication website address and dates of any internal audit visits, being requested. Otherwise, the basic format remains the same.
5. Additionally, as a council with income or expenditure over £200000, Berwick Town Council will be subject to an intermediate review, which will request additional information beyond that required by the AGAR part 3.
6. In January, the RFO and Finance officer attended a webinar presentation by PKF-Littlejohn that acted as an introduction and update on changes to the process. The presentation slides are available on the PKF-Littlejohn website at <http://bit.ly/2EiSfRU>.

### **Recommendation**

1. Councillors note the report and take the opportunity to familiarise themselves with the AGAR process.