

## Agenda item 5

For decision - Finance report to Oversight Committee to mid-year, 30 September 2024

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Enclosed with this report are the financial statements to mid-year 2024-25:

- [Appendix 5.1 External Notice of Conclusion of Audit for the year ended 31 March 2024](#)
- [Appendix 5.2 Internal Auditors Report of 5 September 2024](#)
- [Appendix 5.3 Detailed Income & Expenditure to 30 September 2024](#)
- [Appendix 5.4 Balance Sheet including Earmarked Reserves at 30 September 2024](#)
- [Appendix 5.5 General Ledger report - payments over £100 July – Sept 2024](#)

### External Audit

External auditors PKF Littlejohn completed their assessment of our AGAR (Annual Governance & Accounting Return) for 2023-24 and gave a fully satisfactory approval. [Their Notice of Conclusion of Audit confirmation can be viewed at Appendix 5.1 on our website here](#). We published this on our website and the outside notice board at the Town Hall offering a second 'Exercise of Public Rights' (members of the public can inspect accounts) on 15 October, the day we received the report and enclosures from PKFL.

The external auditor's confirmation was received on 15 October which is some six weeks later than expected (and later than the date on the Notice of 26 August 2024) despite FTC having chased PKFL by telephone and email three times between end August and 15 October 2024. The matter of a late/missed email delivery and communications from a PKFL employee is being investigated by both PKFL and FTC's IT support company.

### Internal Audit

In addition to the annual external audit, FTC has an internal audit carried out on its finances and processes three times per year, prior to finalised financial statements being submitted to Council and the government appointed External Auditor. [Our new Internal Auditor Kevin Rose of IAC Audit & Consultancy Ltd, completed their first internal audit on 5 September 2024 and their report can be found on the website here at Appendix 5.2](#). There are more detailed comments to address and follow up actions to take than with the previous internal auditor, but a thorough and useful learning and confirms the value of changing internal auditors regularly.

### Budget forecast

At 30 September - mid-way through the 2024-25 financial year - most account codes look set to fall within budget. A few exceptions which, assuming no unexpected expenditure in the next six months, should result in a small surplus at year end. This is useful as we start to draft the budget for 2025-26.

The notable accounts are:

700-7980 Henley Way Ramp £50k – this work is likely to be carried forward to 2025-26 so the funding will also be saved for expenditure next year. The unspent funds will go to General Reserves and be funded from General Reserves in 2025-26.

900-2001 Bank Interest income - estimated to end the year approximately £25k over budgeted income due to receiving the Precept in full at the start of the financial year and thereby earning greater interest whilst held in the CCLA Public Sector Deposit Fund investment account for more months.

900-7977 New projects R&D £50k – at September it is not expected to spend this fund in the year as Devolution is taking up all staff resources. The unspent funds will return to General Reserves.

During the next few weeks all budget holders will be working with Lead Cllrs to build the work programme and budget for 2025-26 which will be presented to Council for approval at either the 4 December or 15 January 2025 meetings.

#### Recommendations

1. [Note the External Auditors Notice of Conclusion at Appendix 5.1](#)
2. [Approve the Internal Auditors report of 5 September 2024 at Appendix 5.2](#)
3. [Approve Appendix 5.3 the Income & Expenditure report at 30 September 2024](#)
4. [Approve Appendix 5.4 the Balance Sheet including Earmarked Reserves at 30 September 2024](#)
5. [Approve Appendix 5.5 General Ledger - payments over £100 July to September 2024](#)