



Llais Cynghorau Cymuned a Thref yng Nghymru
The Voice of Community and Town Councils in Wales

Nodyn Datblygu Ymarfer 1

Practice Development Note 1

Amserlen Camau Gweithredu Ariannol Blynyddol

Annual Financial Timetable of Actions

Dyddiad Cyhoeddi Mawrth 2024

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OVW Practice Development Note 1

Annual Financial Timetable of Actions

A simple guide for small to medium Community and Town Councils

Action	Purpose	Timescale	At-a-glance timescale
1. Budgets & Precept (One Voice Wales Model Financial Regulation 3)			
1.1 Preparation of Draft Budget for consideration and approval by the Council to include an assessment of reserves.	To provide the basis for the Council to decide on the precept for the forthcoming financial year and to meet the	Process to commence in October/November and budget approved by the Council usually by no later than the end January or in time to meet any time limit imposed by the	Autumn

Action	Purpose	Timescale	At-a-glance timescale
	requirements of the Local Government Act 1992.	County (Borough) Council for submission of the precept. (Budgets should also take into account funds within General and Earmarked Reserves. Keep some reserves in place but think about how they can help keep the precept down. Read chapter 22 of the Practitioners' Guide .)	
1.2 The amount of the precept to be issued to the County (Borough) Council to be approved once the budget has been approved.	To ensure that the level of the precept is appropriate to support the approved budget.	Usually by the end of January or submitted by the deadline given by the County (Borough) Council.	January
1.3 To notify the County (Borough) Council of the precept requirement.	To ensure that the County (Borough) Council is informed of the amount to be raised through the council tax and paid to the Community or	This will vary depending on the submission date notified by the County (Borough) Council.	By 31 January

Action	Purpose	Timescale	At-a-glance timescale
	Town Council in the new financial year.	A precept must be issued before 1 March in the financial year preceding that for which it is issued. It is not invalid if issued on or after that date, but you should avoid it. It causes problems for the billing authority who have to send out the Council Tax bills.	

Action	Purpose	Timescale	At-a-glance timescale
2. Budget Monitoring (One Voice Wales Model Financial Regulation 4)			
2.1 To prepare budget monitoring reports at regular intervals during the year to ensure that the Council is fully informed	To ensure that the Council is aware of the current financial position and the projected outturn at regular intervals during the year so that it can	As a minimum it is suggested that reports be submitted on a quarterly basis.	Quarterly

<p>about income and expenditure levels linked to approved budget headings. Reports should compare expenditure (and income) against budget, with any significant variances explained.</p>	<p>take decisions where significant variances between budget provision and income/expenditure levels have been identified.</p>		
<p>2.2 To prepare regular bank reconciliations during the year to ensure that the Council is aware of the up-to-date financial position accounting for income and expenditure not yet accounted for in monthly bank statements and to ensure early identification of errors or specific issues (e.g. bank errors, lost cheques etc).</p>	<p>To verify the completeness and accuracy of the Council's accounting records. The current financial position is as recorded in the accounting record and should be reported to the Council or designated Committee as part of the financial and budgeting arrangements.</p>	<p>It is suggested that these should be undertaken on a monthly basis other than for Councils with very low budgets where bi-monthly might be more appropriate.</p>	<p>Monthly</p>

Action	Purpose	Timescale	At-a-glance timescale
3. Audit (One Voice Wales Model Financial Regulation 2)			
3.1 To receive the annual return form from the External Auditors and thoroughly check the information you need to provide in support of the completed return form.	To ensure that you properly prepare for the annual audit.	When you receive the form, it is important that you check that you have all supporting documentation that is required.	April (perhaps before)
3.2 To close, balance and reconcile the cash book,	To ensure that all income and expenditure is		ASAP after 31 March

<p>update the schedule of assets and liabilities and file all supporting documentation in a logical order (e.g. invoices, receipt books, quotations received, petty cash records, payroll records).</p>	<p>properly accounted for and that an audit trail is maintained for audit purposes and for any member of the public to exercise their right to inspect the accounts.</p>	<p>This is a financial requirement, and all records will need to be made available for the Internal Auditor.</p>	
<p>3.3 Arrange for the Internal Auditor to receive the accounting records and complete the audit in enough time for you to arrange for the Council to respond to and complete the Governance section of the Annual Return and approve the accounts by no later than 30 June (Members should be provided with the Internal Auditor's report at least 3 clear days before the meeting at which it is considered).</p>	<p>To provide a reasonable assurance that the financial controls are effective and that any errors or omissions are highlighted for the attention of the Council.</p>	<p>The Internal Auditor should be independent and objective and have the necessary experience to undertake the audit. He/she should be issued with a letter of engagement when first appointed by the Council and an annual schedule of duties. He/she to provide a report for consideration by the Council, to be circulated to members at least 3 clear days before the meeting at which it is considered. The Internal Auditor can provide a separate report or use the annual return proforma to explain the work undertaken and his/her findings.</p> <p>For larger Councils it may be appropriate for the internal auditor to also visit during the year. This will help the internal auditor understand your</p>	<p>ASAP after 31 March</p>

		processes and identify any potential actions you may need to take before year-end.	
3.4 The RFO to certify the accounting statements and the Council to approve the annual return by no later than 30 June and the completed return with the requested supporting information to be sent to the External Auditors by a date they will specify.	Compliance with the target dates is a requirement under the Audit and Accounts (Wales) Regulations 2014.	It is vital that these target dates are adhered to unless you have agreed an alternative submission date with the External Auditors.	June
3.5 Display notice of public inspection rights based on the requirements specified by the External Auditors (be sure to upload the notice on to the Council's website). The notice template will be provided by the External Auditors.	Compliance is a requirement under the Audit and Accounts (Wales) Regulations 2014. Ensure that they are available for inspection during the designated time period.	The timescales specified by the External Auditors should be adhered to unless you have negotiated a variation with the External Auditors. If you use alternative dates, it will be down to the Council to ensure that these dates meet all the necessary requirements. It's advisable to use the dates suggested.	June (Audit Wales will advise re exact dates)

<p>3.6 Respond to any questions from the external auditors promptly and clearly. Send them supporting information to support any answers you provide.</p>	<p>To test the information provided.</p>	<p>Auditors may ask you for additional information during the audit process. This might come from a junior member of the audit team who is doing some basics and/or following more intense scrutiny by a senior team member.</p>	<p>Summer into Autumn.</p>
<p>3.7 On completion of the external audit, the auditors will send you the annual return with their completed audit certificate which will be an unqualified or qualified audit. They may also make recommendations for the Council's attention. The RFO must ensure that this is all submitted to the Council for consideration. The External Auditor will provide guidance on the publication of the completed audit report. A copy of the full return should be uploaded on to the Council's website.</p>	<p>Compliance is a requirement under the Audit and Accounts (Wales) Regulations 2014.</p>	<p>It is vitally important that the Council considers the report of the External Auditors even if it provides an unqualified opinion without any recommendations.</p>	<p>By 30 September</p>

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Some key tips:

- Start to think about next year's spending early – take soundings from members about what level of expenditure Members want; what are the challenges you'll face next year; take it through the committees.
- Devise a simple tool to show expenditure against budget. A matrix showing the budget headings, expenditure to date, and anticipated year-end spend will help members see the overall picture – and keep spending on track. This type of format will be a routine feature of bespoke accounting packages.
- Think about the names of your cost codes – give them a number. Make it easy for members!
- The Annual Return asks a number of governance questions. Can you answer all these questions? If not, put the process in place before year-end. Don't wait until April to do something. Look at last year's form if you don't receive this year's until April.
- Book your internal audit well in advance.
- Review your audit plan each year. One Voice Wales can help advise on format.
- The Annual Return asks the internal auditor to carry out certain checks. Have as much information ready in advance to help simplify and speed up the process. Don't wait until the auditor comes in to look for the Financial Regs or Risk Register!

- Make sure the figures all add up as they are supposed to. Take care when ‘rounding up’ figures. A pound out either way could prove significant .
- Make sure you do the little things when filling out the Annual Return – date it, sign it, put the minute number on for when the Council approved it. Make sure the Council’s name is on the top! It’s easy to fall down on such things. The Annual Return usually includes a helpful list of things to check at the end. Read the guidance that supports the annual return form.
- When displaying information on notice boards or publishing online, make sure you publish everything that is required. For example, publish the full Return when its time, including any audit opinions.
- Carefully check the wording on your notices.
- Is there an up-to-date employment contract in place for the Clerk and other staff? This is an important governance issue which could also impact on staff costs.
- Study the [Practitioners Guide](#). The Guide is jointly published by One Voice Wales and the Society of Local Council Clerks. It represents statutory proper accounting practices for Community and Town Councils in Wales and guidance on proper governance arrangements.
- Make use of the Finance & Government [toolkit](#) for Community & Town Councils. It supports Community and Town Councils to review their financial management, governance, and accountability arrangements; consider how effective these arrangements are and consider how they might be improved.
- Ensure that the Council delivers on the commitments contained in the statutory training plan.