

## **Email from PKK Littlejohn re external audit – 27<sup>th</sup> October 2020**

Thank you for submitting your AGAR Part 3 and supporting documentation for our review. I have started reviewing the information and have the following queries:

- The figure in Box 2 does not match the precept figure stated by the District Council. These figures respectively state £17,004 and £16,946. With this in mind the remaining balance of £58 should be in Box 3, making this a total of £2760. Could you please confirm this mistake.
- Our records indicate that the prior years reported Income and Expenditure totalled £22,618.48 and £21,183.82 respectively. However the current year AGAR reports these figures as £22,629 and £20,867. Could you please confirm the correct figures for 2019's boxes 2,3,4,5 & 6 .
- The Internal Audit Report states that Internal Objective K as No and therefore suggests that the authority failed to correctly file for exemption in the prior year. Can you confirm if this is the correct assertion or if the Internal Auditor has misunderstood this.

Furthermore, we note that Sections 1 and 2 of the AGAR were approved on 16/07/2020 but that the public rights period did not commence until 01/09/2020. The period set is not strictly in contravention of the timing permitted under the legislation introduced as a result of Covid-19, but it should be noted that this year's extension to allow later public inspection was intended to allow for authorities who were not able to approve their AGAR until as late as the statutory deadline of 31 August 2020. Regulation 12 (3) of the Accounts and Audit Regs 2015 (signing and approval of the statement of accounts for Category 2 authorities) requires the Responsible Financial Officer, as soon as practicable after the date on which the authority complies with regulation 12 (2c) (re. accounts approved and signed following meeting), to do the following on behalf of the smaller authority:

a) commence the period for the exercise of public rights in accordance with regulation 14 and regulation 15;

b) notify the local auditor of the date on which that period was so commenced.

We fully appreciate the difficulties arising as a result of coronavirus restrictions; however, please consider the requirements of the Accounts and Audit Regulations 2015, when setting the date for the approval of the AGAR in relation to the public rights period in future years.

In light of this could you please confirm the reasoning for the delayed commencement of the period of public rights and provide evidence that this was explained to the public.

I would be grateful if you could respond to the queries by Friday 06 November in order for us to complete our work on the file. If you have any queries please do not hesitate to contact me.

Kind regards

**Joseph McCarthy**

Intern

Not For Profit

For and on behalf of PKF Littlejohn LLP

## **Warbleton PC response to PKK Littlejohn – 7<sup>th</sup> November 2020**

Dear Joseph

Thank you for your email of 27<sup>th</sup> October. I apologise for the delay in replying, but I was on annual leave last week and only work on Thursdays for Warbleton Parish Council.

I see that you have addressed your email to Mrs Butcher, whose name was probably attached to the email of AGAR documents that I submitted. Please note that Linda Butcher was Locum Clerk/RFO for Warbleton Parish Council following the resignation of the previous clerk in December 2019. I became the Parish Clerk/RFO at the end of March 2020.

One of the issues that the Parish Council had in compiling its end of year accounts/AGAR documentation for 2019/20 was that the previous Parish Clerk left no accounting records. All records had to be recreated from scratch, by the Locum Clerk (working with the Chairman of the F&GP Committee), using bank statements, invoices, Parish Council minutes and any other source material.

During 2020, Warbleton Parish Council has revised all its policies, procedures and structures; it also has a new parish Clerk/RFO and a new Chairman of the Council and is satisfied that it has appropriate governance in place to prevent/avoid the issues that occurred previously.

With regards to the specific points:

- You are correct that the “final” precept received was £16,946.

The Parish Council requested a precept of £17,004; however, following your email, further investigation indicates that that the precept payment was reduced by £58, which was paid instead as a Council Tax Support Grant. The overall payment from Wealden DC in 2019/20 was £17,004.

If the Support Grant of £58 should have been recorded under Box 3 on the AGAR form, then Box 2 should have been reduced and Box 3 increased. The figures would then read £16,946 and £2,760 respectively.

- The 2018/19 accounts were not submitted to, or approved by, the Council. Similarly no AGAR submission for 2018/19 was submitted to, or approved by the Council and, therefore we have no record of what figures might have been supplied. As part of the 2019/20 audit, the internal auditor recommended that the 2018/19 accounts were recreated in order that the figures could be presented and reconciled on our 2019/20 AGAR return. The internal auditor was satisfied that the 2018/19 accounts balanced and the figures could be used. We believe therefore that the

figures submitted on the 2019/20 return are accurate and should be used rather than any other information you may hold.

- We agree that “No” is the correct assertion for Internal Control K for the reasons set out above. No AGAR submission for 2018/19 was put before Council for discussion/resolution, despite frequent requests of the previous Parish Clerk/Chairman – and therefore any exemption request would not have been correct. This was discussed by Linda Butcher with PKK Littlejohn in Q1/2020.

With regards to the timing of the Notice of Public Rights, our understanding of the amendment to the Statutory Instrument brought in due to the CoVid-19 epidemic, allowed this to take place by 1<sup>st</sup> September 2020. If this was a misunderstanding of the revised regulations, we apologise.

The date was chosen to best align with the availability and workload of the Parish Clerk/RFO over the summer period. It was discussed and minuted at the Finance and General Purposes Committee on 14<sup>th</sup> July and the Full Parish Council on 16<sup>th</sup> July 2020. Draft minutes of both meetings were posted on the website shortly after the meetings.

The Notice of Public Rights was posted on the Council’s noticeboards, and on its website. A news item was also placed on the website which sent an email alert to anyone who had registered to receive updates.

I hope this helps with your queries. If you require any further information or would like to discuss anything, please let me know.