

Keith Robertson

I am a qualified accountant. (A Fellow of the Chartered Institute of Management Accountants). I do not operate an accounting practice. I am mostly retired but still provide some financial services on both a paid and voluntary basis.

Work History.

I worked in senior financial roles for over 30 years in several sectors including Manufacturing, Travel, Banking, and lastly until 2013 as Assistant Director of the Fundraising division of a leading UK Charity with responsibility for all Finance and Admin functions. I am well acquainted with internal audit functions.

Local Council Experience.

After retiring from full time work, I have since December 2014 been working part time as Clerk & RFO for Crowhurst Parish Council in East Sussex, which is very near to my home on Catsfield. I am also a Parish Councilor for Catsfield Parish Council. I provide Internal Audit services for around 25 Parish Councils in Sussex and Surrey. I am very well acquainted with Local Government regulations and procedures. I would be happy to provide references if needed.

FINANCE

9.3. To accept and resolve the Audit Report from Linda Butcher as part of the Health Check undertaken

During the course of this investigation into the accounting records held by the Parish Council I found a copy of a Statement of Account for year ended 31 March 2019. However, on checking the information contained therein, I am afraid I was unable to reconcile the figures as records were incomplete. Below you will see my notes to the Internal Auditor, Keith Richardson when I forwarded the accounts and AGAR for 2019/2020.

Memo to Keith:

THIS IS A COPY OF A DOCUMENT THAT I FOUND IN THE FINANCE FILE BUT IS INCORRECT – SEE NOTES

STATEMENT OF ACCOUNT FOR YEAR ENDED 31 MARCH 2019

Balance Brought Forward 31 March 2018	23581.23	(Note 1)
Receipts for year 2018-2019	22611.48	(Note 2 and 3)
Total Funds	46192.71	(unable to confirm)
Less Payments to 31 March 2019	20541.76	(Note 4)
Balance Carried Forward to April 2019	25650.95	(Note 5)
Funds in Bank at 31 March 2019		
Current Account	19251.72	
Business Account	8868.72	
Total	28120.44	
Less unpresented cheques at 31 March 2019	2469.67	(Note 6)
Total	25650.95	

Note 1 – Unable to verify this amount as although we have the statements, unable to confirm any unpresented cheques or income.

Note 2 – This amount is not correct as it includes VAT which should not be part of this income.

Note 3 – This does not include interest which should be included.

Note 4 – Having completed a spreadsheet for all the payments using invoices and reconciling these with the bank statements, this amount is incorrect. This means that it is impossible to confirm the starting figure for the 2019/20 financial year but the External Auditor has advised that they have closed the 2018/19 audit and does not wish to revisit that year.

I can only recommend that the Council has to draw a line somewhere and it is possible to confirm the 2019/20 figures which are included in the Council's AGAR return.

Note 5 – In view of the lack of background papers it is impossible to confirm the carry forward balance.

Note 6 – Cannot verify this amount as there is no record of the actual cheques/vouchers.

Memo to Keith ends.

The Council is aware that during the 2019/20 year, it had to pay PKF Littlejohn the External Auditor £80.00 as a result of not complying with regulations. The main issue was that the Council failed to advertise the fact that residents can exercise their rights to inspect the Council's accounts and background papers during a specific period.

During my initial telephone conversation with PKF Littlejohn they confirmed that the Council had Exempted itself from the usual audit for that year. A Council exempting itself must still publicise the public's right of inspection but it failed to do so. When the minutes for that year were checked to ensure the Council had made that decision there is no such resolution so it may have been agreed by the then Chairman and former Clerk although obviously there is no evidence of this happening.

As you will see at point 4 above, the External Auditor (PKF Littlejohn) have closed the file for 2018/19 so I have not taken the above information further or used too much time in creating full records for that year although I do have details of receipts and payments on an Excel spreadsheet.

Therefore, the opening balance for 2019/20 cannot be verified but all receipts and payments during the 2019/2020 year have been found and checked against invoices, bank statements (by Linda Butcher) and budgets (by Cllr Williamson).

One particular point I would like to bring to the Council's attention. The Council paid £200 to D J Weller, Beestons Book-keeping Services "for preparing accounts to 31-3-19" but I have been unable to find any evidence of the preparation of accounts.

However, on a more serious note, the Council should be aware that this is not the role of the Internal Auditor. The Internal Auditor should be an independent check that the Clerk/RFO and Council are keeping the correct records, making decisions in an appropriate format and that reporting and openness are maintained to a high standard. I am sure the Council will find that Keith Richardson will be providing such a service for Warbleton Parish Council.

To date the following documents have been submitted to the Internal Auditor and at the time of writing this report, I am waiting for the date of my virtual interview with him. He has been advised of when the Council will be considering this information but he has said it is unlikely the Internal Report will be available or the AGAR signed prior to the meeting on 21st May 2020 so an item will need to be placed on the June agenda of Council.

1. Part completed AGAR
2. Bank reconciliation
3. Bank statements for the end of year
4. Notice of Public Rights
5. Summary of Your Rights (with reference to 4.)
6. Excel spreadsheets showing Receipts and Payments during 2019/2020

N.B. Copies of all the documents above are submitted to all Councillors with this report.

Linda A Butcher
14th May 2020

WARBLETON PARISH COUNCIL

East Sussex

Financial year ending 31 March 2020

Prepared by Jackie Cottrell Clerk and RFO

6th May 2020

Balance per bank statements as at 31.03.2020

Current Account	£18460.83	
Less unpresented cheques/payments:		
BACS	£27.59	
101351	£5.02	
101361	£250.00	
101364	£480.00	
101366	£73.90	
101367	<u>£1572.68</u>	
	<u>£2409.19</u>	
		£16051.64
Business Account		<u>£8885.28</u>
Net balances as at 31.03.2020		<u>£24936.92</u>

**MRS LINDA BUTCHER
 PARISH COUNCIL OF WARBLETON
 6 THE MEWS
 EAST HOATHLY
 SUSSEX
 BN8 6EH**



Your Community Account

At a glance

29 Feb - 31 Mar 2020

Start balance	£20,385.83
Money out	£3,697.68
Commission charges	£0.00
Money in	£1,772.68
Gross interest earned	£0.00
End balance	£18,460.83

Your deposit is eligible for protection by the Financial Services Compensation Scheme.

Date	Description	Debit (£)	Credit (£)	Balance (£)
29 Feb	Start Balance			20,385.83
6 Mar	Cheque Issued Ref: 101360	700.00		19,685.83
9 Mar	Cheque Issued Ref: 101358	400.00		19,285.83
11 Mar	Cheque Issued Ref: 101357	450.00		18,835.83
	Cheque Issued Ref: 101359	500.00		18,335.83
13 Mar	Deposit at Barclays Post Office Credit		200.00	18,535.83
23 Mar	Cheque Issued Ref: 101363	1,572.68		16,963.15
	Deposit Re Unpaid Cheque 101363		1,572.68	18,535.83
24 Mar	Cheque Issued Ref: 101362	75.00		18,460.83
31 Mar	Balance carried forward			18,460.83
	Total Payments/Receipts	3,697.68	1,772.68	

Advice: If you notice any incorrect or unusual transactions, see the next page for how to get in touch with us.

01042 03002 F1V1064A 9710604123 3 of 6



PARISH COUNCTL OF
WARBLETON NUMBER TWO
ACCOUNT

Sort Code 20-27-91
Account No 70814210
SWIFTBIC BUKGB22
IBAN GB83 BUKB 2027 9170 8142 10

Issued on 01 April 2020

MRS LINDA BUTCHER
PARISH COUNCIL OF WARBLETON
6 THE MEWS
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Your Business Premium Account

At a glance

Date	Description	Withdrawal	Deposit	Balance
1 Jan	Start Balance			8,882.17
2 Mar	Interest Earned Gross For The Period 2 Dec 2019 - 1 Mar 2020		3.11	8,885.28
31 Mar	Balance carried forward			8,885.28
	Total Payments/Receipts	0.00	3.11	

31 Jan - 31 Mar 2020

Start balance	£8,882.17
Money out	£0.00
Money in	£3.11
▷ Gross interest earned £3.11	
End balance	£8,885.28

If you notice any incorrect or unusual transactions, see the next page for how to get in touch with us.

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01042 03004 F1V1064A 9710604123 5 of 6

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6 THE MEWS
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Your Business Premium Account

At a glance

Date	Description	Withdrawal	Monthly	Balance
1 Jan	Start Balance			8,882.17
2 Mar	Interest Earned Gross For The Period 2 Dec 2019 - 1 Mar 2020		3.11	8,885.28
31 Mar	Balance carried forward			8,885.28
	Total Payments/Receipts	0.00	3.11	

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Start balance	£8,882.17
Money out	£0.00
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01042 03004 F1V1064A 9710604123 5 of 6

Smaller authority name: WARBLETON PARISH COUNCIL

**NOTICE OF PUBLIC RIGHTS AND PUBLICATION
OF UNAUDITED ANNUAL GOVERNANCE &
ACCOUNTABILITY RETURN**

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

**Local Audit and Accountability Act 2014 Sections 25, 26 and 27
The Accounts and Audit Regulations 2015 (SI 2015/234)**

The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 (SI 2020/404)

NOTICE	NOTES
<p>1. Date of announcement <u>8th JUNE 2020</u> (a)</p> <p>2. Each year the smaller authority's Annual Governance and Accountability Return (AGAR) needs to be reviewed by an external auditor appointed by Smaller Authorities' Audit Appointments Ltd. The unaudited AGAR has been published with this notice. As it has yet to be reviewed by the appointed auditor, it is subject to change as a result of that review. Any person interested has the right 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 interested. For the year ended 31 March 2020, these documents will be available on reasonable notice by application to:</p> <p>(b) <u>JACKIE COTTRELL, PARISH CLERK/RFO</u> <u>4 KINGSMARSH COTTAGES FIVE ASHES TN20 6JE</u> <u>warbletonparishcouncil@gmail.com</u></p> <p>commencing on (c) <u>Monday 15 June 2020</u></p> <p>and ending on (d) <u>Friday 24 July 2020</u></p> <p>3. Local government electors and their representatives also have:</p> <ul style="list-style-type: none">• The opportunity to question the appointed auditor about the accounting records; and• The right to make an objection which concerns a matter in respect of which the appointed auditor could either make a public interest report or apply to the court for a declaration that an item of account is unlawful. Written notice of an objection must first be given to the auditor and a copy sent to the smaller authority. <p>The appointed auditor can be contacted at the address in paragraph 4 below for this purpose between the above dates only.</p> <p>4. The smaller authority's AGAR is subject to review by the appointed auditor under the provisions of the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015 and the NAO's Code of Audit Practice 2015. The appointed auditor is:</p> <p>PKF Littlejohn LLP (Ref: SBA Team) 15 Westferry Circus Canary Wharf London E14 4HD (sba@pkf-littlejohn.com)</p> <p>5. This announcement is made by (e) <u>JACKIE COTTRELL, CLERK/RFO</u></p>	<p>(a) Insert date of placing of the notice which must be not less than 1 day before the date in (c) below</p> <p>(b) Insert name, position and address/telephone number/ email address, as appropriate, of the Clerk or other person to which any person may apply to inspect the accounts</p> <p>(c) Insert date, which must be at least 1 day after the date of announcement in (a) above and at least 30 working days before the date appointed in (d) below</p> <p>(d) The inspection period between (c) and (d) must be 30 working days inclusive and must start on or before 1 September 2020.</p> <p>(e) Insert name and position of person placing the notice – this person must be the responsible financial officer for the smaller authority</p>

LOCAL AUTHORITY ACCOUNTS: A SUMMARY OF YOUR RIGHTS

Please note that this summary applies to all relevant smaller authorities, including local councils, internal drainage boards and 'other' smaller authorities.

The basic position

The Local Audit and Accountability Act 2014 (the Act) governs the work of auditors appointed to smaller authorities. This summary explains the provisions contained in Sections 26 and 27 of the Act. The Act, the Accounts and Audit Regulations 2015 and the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 also cover the duties, responsibilities and rights of smaller authorities, other organisations and the public concerning the accounts being audited.

As a local elector, or an interested person, you have certain legal rights in respect of the accounting records of smaller authorities. As an interested person you can inspect accounting records and related documents. If you are a local government elector for the area to which the accounts relate you can also ask questions about the accounts and object to them. You do not have to pay directly for exercising your rights. However, any resulting costs incurred by the smaller authority form part of its running costs. Therefore, indirectly, local residents pay for the cost of you exercising your rights through their council tax.

The right to inspect the accounting records

Any interested person can inspect the accounting records, which includes but is not limited to local electors. You can inspect 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. You can copy all, or part, of these records or documents. Your inspection must be about the accounts, or relate to an item in the accounts. You cannot, for example, inspect or copy documents unrelated to the accounts, or that include personal information (Section 26 (6) – (10) of the Act explains what is meant by personal information). You cannot inspect information which is protected by commercial confidentiality. This is information which would prejudice commercial confidentiality if it was released to the public and there is not, set against this, a very strong reason in the public interest why it should nevertheless be disclosed.

When smaller authorities have finished preparing accounts for the financial year and approved them, they must publish them (including on a website). There must be a 30 working day period, called the 'period for the exercise of public rights', during which you can exercise your statutory right to inspect the accounting records. Smaller authorities must tell the public, including advertising this on their website, that the accounting records and related documents are available to inspect. By arrangement you will then have 30 working days to inspect and make copies of the accounting records. You may have to pay a copying charge. **Legislative changes have been made as a result of the restrictions imposed by the Coronavirus for the 2019/20 reporting year which mean that there is no requirement for a common period for public rights. The period for the exercise of public rights must however commence on or before 1 September 2020.** The advertisement must set out the dates of the period for the exercise of public rights, how you can communicate to the smaller authority that you wish to inspect the accounting records and related documents, the name and address of the auditor, and the relevant legislation that governs the inspection of accounts and objections.

The right to ask the auditor questions about the accounting records

You should first ask your smaller authority about the accounting records, since they hold all the details. If you are a local elector, your right to ask questions of the external auditor is enshrined in law. However, while the auditor will answer your questions where possible, they are not always obliged to do so. For example, the question might be better answered by another organisation, require investigation beyond the auditor's remit, or involve disproportionate cost (which is borne by the local taxpayer). Give your smaller authority the opportunity first to explain anything in the accounting records that you are unsure about. If you are not satisfied with their explanation, you can question the external auditor about the accounting records.

The law limits the time available for you formally to ask questions. This must be done in the period for the exercise of public rights, so let the external auditor know your concern as soon as possible. The advertisement or notice that tells you the accounting records are available to inspect will also give the period for the exercise of public rights during which you may ask the auditor questions, which here means formally asking questions under the Act. You can ask someone to represent you when asking the external auditor questions.

Before you ask the external auditor any questions, inspect the accounting records fully, so you know what they contain. Please remember that you cannot formally ask questions, under the Act, after the end of the period for the exercise of public rights. You may ask your smaller authority other questions about their accounts for any year, at any time. But these are not questions under the Act.

You can ask the external auditor questions about an item in the accounting records for the financial year being audited. However, your right to ask the external auditor questions is limited. The external auditor can only answer 'what' questions, not 'why' questions. The external auditor cannot answer questions about policies, finances, procedures or anything else unless it is directly relevant to an item in the accounting records. Remember that your questions must always be about facts, not opinions. To avoid misunderstanding, we recommend that you always put your questions in writing.

The right to make objections at audit

You have inspected the accounting records and asked your questions of the smaller authority. Now you may wish to object to the accounts on the basis that an item in them is in your view unlawful or there are matters of wider concern arising from the smaller authority's finances. A local government elector can ask the external auditor to apply to the High Court for a declaration that an item of account is unlawful, or to issue a report on matters which are in the public interest. You must tell the external auditor which specific item in the accounts you object to and why you think the item is unlawful, or why you think that a public interest report should be made about it. You must provide the external auditor with the evidence you have to support your objection. Disagreeing with income or spending does not make it unlawful. To object to the accounts you must write to the external auditor stating you want to make an objection, including the information and evidence below and you must send a copy to the smaller authority. The notice must include:

- confirmation that you are an elector in the smaller authority's area;
- why you are objecting to the accounts and the facts on which you rely;
- details of any item in the accounts that you think is unlawful; and
- details of any matter about which you think the external auditor should make a public interest report.

Other than it must be in writing, there is no set format for objecting. You can only ask the external auditor to act within the powers available under the [Local Audit and Accountability Act 2014](#).

A final word

You may not use this 'right to object' to make a personal complaint or claim against your smaller authority. You should take such complaints to your local Citizens' Advice Bureau, local Law Centre or to your solicitor. Smaller authorities, and so local taxpayers, meet the costs of dealing with questions and objections. In deciding whether to take your objection forward, one of a series of factors the auditor must take into account is the cost that will be involved, they will only continue with the objection if it is in the public interest to do so. They may also decide not to consider an objection if they think that it is frivolous or vexatious, or if it repeats an objection already considered. If you appeal to the courts against an auditor's decision not to apply to the courts for a declaration that an item of account is unlawful, you will have to pay for the action yourself.

For more detailed guidance on public rights and the special powers of auditors, copies of the publication [Local authority accounts: A guide to your rights](#) are available from the NAO website.

If you wish to contact your authority's appointed external auditor please write to the address in paragraph 4 of the *Notice of Public Rights and Publication of Unaudited Annual Governance & Accountability Return*.

TRAINING	CIL	RECEIPTS	DETAIL		
			Payrole Servs		
	237.36		WW1 Plaque		
	476.11	-476.11			
		-567.92	Village Sign CIL		
		-8502.00	50% Precept		
			Half year hire		
			Half year hire		
			50% Grounds Maintenance		
			Dog Bin emptying		
			External Audit		
			Subscriptions		
			Internal Audit		
			Licence - cheque returned		
			Churchyard maintenance		
			Speedwatch		
			Dog Bin Emptying		
			RAF Memorial Maintenance		
			Repair Road Sign		
		-8502.00	50% Precept		
			Churchyard maintenance		
			Charges Oct 17 - Oct 2019		
			Churchyard maintenance		
			Local Council Insurance		
			Half election expenses		
			See Ch 101353		
		-832.41	VAT Refund ?		

60.00			Parish Conference	
			50% Grounds Maintenance	
			Clock winding	
			Flowers	
		-1085.52	VAT Refund?	
			Half year rent	
			Half year rent	
			Maintenace Contract	
			Dog Bin emptying	
			2018/19 External Audit	
			DVH Gate	
			Half year elections	
			Final Salary & Holiday Pay	
			Add.Payrole Services	
			Subscription	
			Maintenance Work	
			Celebration	
			Dog Bin emptying	
			Recruitment	
			Health Check and Locum Clerk	
		-200.00	Village Show DEPOSIT	
60.00	748.47	-17004.00	Precept	
		-567.92	Costain Refund - Village Sign CIL	
		-16.38	Interest Premium Account	
		-1917.93	VAT Refund	

12.3.4. Internet Banking – A Proposal

The Parish Council needs to maintain robust controls on payments as an integrated part of its overall financial control system and proposes an Internet Banking Policy as part of its governance.

Bank statements can be checked at anytime in an efficient manner.

Payment of invoices online saves time and money; no envelopes or stamps required.

Authorisation can be done remotely at any time. Social distancing is increasing the time it takes for payment to reach the payee. Once payments have been approved at Full Council, the signatories can authorise the payments from their own home.

The payment is received in the creditor's account within two working days; and the creditor does not have to take a cheque to their bank thus making the Parish Council an attractive customer.

Payments by cheque will be made when necessary.

Bank reconciliations can be completed more promptly as the Clerk will no longer have to wait for statements to arrive through the post.

Quick and easy to solve banking discrepancies.

The Parish Council will have to make this transition as some point as cheques are being phased out.