

Lyneham & Bradenstoke Parish Council
Extraordinary Meeting 22nd November 2019

AGENDA ITEM 3

**Public Interest Report from External Auditors – PKF Littlejohn
Parish Clerk’s Report**

1. Councillors will remember discussing a report on this subject at the meeting on 12th November 2019 following receipt of Public Interest Report (PIR) letter dated 16th October 2019. This letter had arisen because the Annual Governance and Accountability Return (AGAR) had not been submitted for the financial year ended 31st March 2019. It is worth noting at this point that the letter of 16th October 2019, the Accounts for the year ended 31st March 2019, together with a blank AGAR, were amongst the papers collected from the previous Parish Clerk and delivered to me by the Chair, Mr Frank Ball, on Friday 8th November. Following the meeting on 12th November, I wrote to PKF Littlejohn (copy attached). This resulted in an email exchange and a telephone conversation with the Senior Audit Manager at the company, Ms Rebecca Plane.
2. Ms Plane forwarded to me a series of letters that had been sent by PKF Littlejohn dated 15th July 2019, 29th July 2019, 20th August 2019, none of which had been actioned.
3. The following advice has been received from Ms Plane as to what action the Parish Council is now required to take and what decisions need to be made at this meeting.

3.1 *Public Interest Report - Letter dated 16th October 2019*

This has to be published on the website together with a Notice stating the decisions made by the Council, together with an action plan to prevent this situation occurring again, with links to the Council meeting at which this has taken place. The Notice has to be sent to PKF Littlejohn for approval before 27th November 2019. I quote Ms Plane’s advice as follows:

“The main point is to demonstrate that Council has aired the PIR in public and has a plan to ensure it can’t happen again.”

The Parish Council would then have met all the publicity requirements of the relevant Act in relation to this Public Interest Report.

3.2 Having met the Notice requirement above, then the Council has two options as follows:

Option A – Submit the AGAR for review – The Annual Accounts for 2018/19 are available in hard copy but the AGAR would need to be completed. This would entail having an Internal Audit carried out, because the Internal Auditor has to sign off the Internal Audit section of the AGAR. The External Audit would then be carried out by PKF Littlejohn who would issue an External Audit Report to say whether all is in order or not. Alongside this, an extension of the 27th November deadline would have to be negotiated, and this can be done, but the new deadline cannot be beyond the end of this calendar year. The extension requested would be subject to the availability of the chosen Internal Auditor.

Option B – Don’t submit the AGAR for review – The Parish Council can choose not to submit the AGAR. PKF Littlejohn would then issue a closure letter and invoice after 42 days. The closure letter would not give confirmation that all is well with the Parish Councils finances.

4. **Financial Implications**

4.1	Option A -	Cost to date	£680
		Cost of Review	£300
		Internal Audit	<u>£445</u> (1 days work)
		Total	<u>£1,425</u>

Option B - Cost to date £680

All figures are exclusive of VAT. I've not had time to confirm the Councils VAT situation, but it may be possible to reclaim VAT.

5. **Parish Clerk's Recommendation**

In order for the Parish Council to move forward in full confidence that the finances are in good order, I would recommend that an Internal Audit of the 2018/19 accounts is carried out and that the AGAR is submitted to PKF Littlejohn for review. This is the most expensive option but I would suggest it would be money well spent and would give confidence to move forward.

Mrs Ann Kingdon
18th November 2019

Attachment referred to at para 1 of the Parish Clerk's report for Extraordinary Meeting on 22nd November.

Letter to PKF Littlejohn 13.11.19 by email

Dear SBA Team,

I have been appointed as Temporary Parish Clerk for Lyneham & Bradenstoke Parish Council, with effect from 5th November 2019. Amongst the paperwork handed to me is a letter dated 16th October 2019 from your company regarding the Parish Councils failure to submit the Annual Governance and Accountability Return (AGAR) for the year ended 31st March 2019. This letter was placed before a meeting of the Parish Council on 12th November 2019.

The accounts for the year ending 31.3.19 were handed to me last week, pinned to a blank AGAR. The previous Parish Clerk (who was appointed on 1st March 2019 and dismissed on 5th November 2019), had, apparently, passed this to the previous Chairman (now resigned from the Parish Council as of 16th October 2019). This Chairman did not take the required action to ensure the AGAR was completed and submitted within the required timescale. Although the Accounts were prepared for the year ending 31.3.19, the Parish Council at the time did not approve them, no Internal Audit was carried out and the AGAR was not completed.

Once the Councillors were given all the facts and information, it was decided at the Parish Council meeting on 12th November that I be instructed to write to you to seek advice as to how the Parish Council should now deal with the outstanding AGAR and respond to the Public Interest Report you have issued. I should add that the current Parish Councillors are, with the exception of two members, all recently co-opted or elected to the Parish Council and have no knowledge of what has happened. The first they all knew of the situation was when your letter of 16th October was presented to them at the meeting referred to above.

For your information, the Parish Council also decided at the same meeting that it would have a full Internal Audit carried out as a matter of urgency, to confirm, or not, that the Councils finances, documentation, policies and procedures are on a correct footing. I am in the process of obtaining the required three quotes for the Finance Committee to then appoint an Internal Auditor to carry out the audit as soon as possible.

I await your advice.

Yours faithfully
Mrs Ann Kingdon
Lyneham & Bradenstoke Parish Council