

## **AGENDA ITEM 11 - 12.11.19**

### **Public Interest Report from External Auditors – PKF Littlejohn LLP**

Letter sent from PKF on 20<sup>th</sup> August which was “a statutory recommendation” that Parish Council should submit an approved Annual Governance and Accountability Return (AGAR) within 42 days. I haven’t seen a copy of this letter.

On 16<sup>th</sup> October a further letter was received and is attached to this report. The letter goes on to say:

“This letter constitutes a public interest report under Schedule 7 of the Local Audit & Accountability Act 2014 about the authorities failure to prepare a AGAR for the year ended 31<sup>st</sup> March 2019 as required by the Accounts and Audit Regulations 2015 and associated guidance.”

The letter was copied to Sec of State (presumably for Communities & Local Government) National Audit Office, Smaller Authorities Audit Appointments Ltd, Monitoring Officer of local authority (Wiltshire Council).

Obviously this matter is serious and must be dealt with urgently. The Council has 42 days from 16<sup>th</sup> October to respond by submitting the approved AGAR. If this is not done then PKF Littlejohn will close their audit and submit a bill for the normal audit fee plus a further £300 for the action the company has taken. If the 42 days is calendar days (including weekends) then the expiry date is 27<sup>th</sup> November. If it is working days then there is more time to clear up the matter. At the time of writing, it is not clear where the AGAR is, whether it has been approved by the Parish Council and whether the internal audit has been carried out. The internal audit is a requirement in order for the PC to complete the AGAR and formally approve it, as it has to be signed by the internal auditor to confirm that all is in order. There is not much time to complete these actions so that the Parish Council can approve the AGAR by 27<sup>th</sup> November.

The suggestion is that a letter is sent to PKF to explain the immediate past situation, that there is now a “new” Parish Council and Parish Clerk in place, and that an AGAR will be provided but it may not be possible to do this within the required time frame, although every effort will be made to comply as soon as practicable. They should be asked to advise if this is acceptable or, if not, what action would they require of the Parish Council.

An internal audit is a particular requirement of the AGAR. In view of the current situation regarding the Parish Council administration I would suggest that a full internal audit should be carried out anyway. With a completely “new” council in place, a full internal audit would provide full information as to what needs to be addressed and would provide a benchmark from which the Parish Council can move forward. If the Parish Council approves a full internal audit is carried out, then this should be included in the letter to PKF.

In the time available it has not been possible to obtain three quotes for an Internal Audit in time for this meeting. However, if the Parish Council decides to approve this suggestion, then the quotes can be obtained and the decision of which company to appoint can be delegated, by resolution, to the Finance sub-committee, comprising of three Councillors.

**PROPOSAL:**

1. To RESOLVE to write to PKF Littlejohn to explain the current situation as to why the AGAR has not been provided and to ask for advice as to how to proceed.
2. To RESOLVE to engage a suitable company to carry out a full Internal Audit on the Parish Councils administration and to so inform PKF Littlejohn.
3. To RESOLVE to obtain three quotes for a full Internal Audit of the Parish Councils Administration and delegate the decision as to which company to employ to the Finance Sub-committee comprising three Councillors.