

REPORT SUMMARY – For Full Council

The content of which is accurate subject to no further challenges being raised

Subject	Objection relating to 2022 – 2023 Annual Governance and Accountability Return (AGAR) Completion
Date	20 June 2024
From	Responsible Financial Officer (RFO)

To assist with understanding of the content and for transparency, the following documents are included in chronological order:

- (a) Email from Moore UK the appointed external auditor, with the formal response to the objection against 2022/23 AGAR, sent to the objector, identified by the external auditor, as Mark Graves with a clear timescale stated for a further appeal.
- (b) Email from RFO to Moore relating to the recommendations within their formal response.
- (c) The original objection sent by the objector (Mark Graves) to Moore UK 31 July 2024.

The first reflection and identification to be noted:

Section 27, item 2.

Under Local Audit and Accountability Act 2014, the requirements are that –

- (a) The objection is made in writing**
- (b) (b) a copy of the objection is sent to the relevant authority whose accounts are audited**

With reference to Section 27, item 2 (b) NO such letter had been received (original/copy or otherwise) by the Parish Council (the relevant authority) from the objector (Mark Graves). As the objection was raised under the Local Audit and Accountability Act 2014 and no copy of the objection was received, this was a failure to adhere to the processes at the initial stages of the objection.

RFO - Statement of fact.

A duplicate copy of the objection was not received until Monday 10th June 2024 after a third written request to Moore UK from the Parish Office.

The time involved in this process has been extensive and lengthy with serious cost implications incurred to the public purse.

The most significant costings have been incurred through:

- (1) Provisional costs from Moore's, fee for the objection response report will be £2,000 + VAT as of 24.05.2024 and advised with the following: 'I have discounted this fee by over 20% based on the disjointed nature of the review' Carolyn Rossiter, Engagement Lead.

(2) The content of the objection(s) has been addressed by Moore UK over an extensive period and retrieval of documents, minutes and report detail undertaken by the current RFO as follows.

28 emails, 2 of which included extensive, detailed responses.

25 individual documents/reports provided

Within the period of 5th April up to and including 10th June 2024

(3) Evidence of time has been identified and allocated by the RFO in post up to Feb 2024 although the actual time, content and period cannot be accurately confirmed.

In addition to the above, further costs have been incurred via the appointment of Parkinson's Partnership to undertake a full review of the Parish Council's accounting processes and procedures.

These could have possibly been avoided, had the Parish Council been provided with the required copy of the objection to the 2022-2023 audit in July 2023, until the external auditor investigation had been concluded and recommendations/findings known, as any other reviews would not have been requested.

(4) The independent review of accounting practices undertaken within the Parish Office and the accounts package, Rialtas, which was undertaken by Parkinson Partnership at a cost of: £5,504.40

The expenditure for these listed above is approaching £10,000.

FINDINGS

Moore UK External Auditor Findings relating to the objectors' original comments:

Objections raised – 10 numbered items within the objection email:

Moore's noted and recognised 4 as credible and are shown within page 1 of their report under 'The Objection' and 6 a – d

Point (a) The accounts regularly presented to the council are being prepared on a receipts and payments basis where regulation requires the accounts to be prepared on an income and expenditure basis.

Findings as shown, page 2, number 18

Moore UK - It is our opinion that no further action is required in this respect.

Parish Council - This matter was also covered by the Parkinson Partnership report that the regulations only state that the year-end accounts are to be prepared on an income and expenditure basis.

Point (b) The monthly accounting detail provided to council are not sufficient to enable proper monitoring of actual spending against that budgeted.

Findings as shown page 3 and to the top of page 4

Moore UK - Considerations given to Council, but no actual breaches found.

Point (c) An item of account has been recorded twice in the records, on at least one occasion.

Findings as shown page 4, number 40

Moore UK - We do not intend to consider making an application to a court to have the item declared unlawful due to the disproportionate costs this would incur.

Parish Council - An explanation was provided to the External Auditor by the RFO on why this item of account appeared to have been recorded twice in the records. One figure was an accrual for the 2022/23 audit, the other is a payment for the previous year's audit (2021/22).

Point (d) The appointed Internal Auditor does not meet the requirements as set out in the JPAG Practitioners Guide.

Findings as shown page 4, number 45

Moore UK - This would appear to meet the best practice requirements for appointees.

Conclusions and recommendations from Moore UK can be found on page 5 of 6, numbers 50, 51, 53 shows only 3 recommendations.

50 – We recommend the council and the RFO review precisely how the monthly figures are presented to improve this process.

51 – We recommend that the reason for two external audit fees being recorded in the 2022/23 nominal ledger is reviewed and any appropriate corrective action is taken.

53 – We recommend the council consider introducing a review process of the parameters for the work undertaken by the Internal Auditor if no process currently exists.

The RFO has provided a full and detailed response, via written email, attached for full transparency, to the specific recommendations and further clarity on payroll, auditor fees and internal auditor references made, although not required voluntarily or formally to further endorse Broughton Astley Parish Council are complying with the recognised best practice, protocol, procedures required.

Conclusions and recommendations from Parkinson Partnership showed no anomalies, issues or concerns with current practices only recommendations made as follows:

- 55) The council should make better use of the Rialtas system to reduce the workload in preparing and monitoring budgets, reducing the reprocessing of information and the reliance on spreadsheets.
Administration and Finance Committee meeting 23rd May 2024, 274.24 Resolved: Agreed to refer to Rialtas generated reports only going forward.
- 56) The council should pay more attention to inflation when preparing its budget - **Noted**
- 57) The council should stop producing the outdated “management accounts”, which add no real value and distract staff from more important issues – **See below**
- 58) The Administration & Finance Committee should consider whether members want to receive, or meet to review, finance reports more frequently.
Administration and Finance Committee meeting 23rd May 2024, 276.24 Resolved:

That the Council Detailed Report – Monthly Report, be presented to full council each month at the Parish Council meeting.

- 59) The council should ensure that councillors, particularly those on the Finance & Administration or Staffing Committees, attend finance training so that they have a better understanding of their role – **to be progressed and undertaken**

Closing Summary

Accounts and audit procedures expected and required have been met with unsupported concerns/objections raised.

The cost has been excessive, not only in staff time to the Parish Council, but also with the costs incurred and paid for from public funds, with even further costs in the loss of a highly professional, long serving member of staff.

The ability to recognise appointed Broughton Astley Parish Council Officers must now be acknowledged and their roles respected by all elected members.

Finally, specific responses are required to two detailed statements made within the original objection email by the objector (Mark Graves) which must be addressed as these read as though raised with the full support of each Parish Councillor:

Statement 1

'no further set of accounts was ever produced meaning all 16 Parish Councillors are 'in the dark' with the accounts

Is this a true reflection in opinion of the Parish Councillors present, Yes, or No?

Statement 10

The Financial Regulations of BAPC require the council to follow the rules and guidance in the Practitioners Guide. However, BAPC does NOT follow the correct rules and guidance in the Practitioners Guide.

Is this a true reflection in opinion of the Parish Councillors present, Yes, or No?

Conclusive decision of Council:

Having received reports from Moore UK and Parkinson Partnership are Members confident in the financial processes and procedures undertaken by the Parish Office relating to the financial administration of the Parish Council income and expenditure?

Yes, or No?