

# Town Council Meeting

Kidsgrove Town Council  
Victoria Hall  
Liverpool Road  
Kidsgrove  
Staffordshire  
ST7 4EL

Tel: 01782 782254  
www.kidsgrovetowncouncil.gov.uk



12<sup>th</sup> April 2019

To: **Members of Kidsgrove Town Council**

Dear Councillor,

You are summoned to attend the meeting of Kidsgrove Town Council to be held at 7.00pm on Thursday 18<sup>th</sup> April 2019 (Chairman's Room).

Yours sincerely,

A handwritten signature in black ink that reads 'Sue Davies'.

Sue Davies  
Town Clerk

## **Business to be transacted**

1. To receive apologies for absence
2. To note declarations of Members' Interests
3. To confirm and agree the following minutes of the meeting held on the 28<sup>th</sup> March 2019 (See appendix 1)
4. To receive and note the draft minutes of Committee Meetings held since the meeting of the 21<sup>st</sup> February 2019.
  - a. Finance and General Purposes Committee held 9<sup>th</sup> April 2019. (Circulated separately).
5. Public Participation: A period not exceeding 15 minutes for members of the public to ask questions or submit comments.

6. Matters Arising not covered elsewhere:
  - a. To note that a meeting has been held to discuss the progression of the five-year plan and that the Clerk is compiling the results which will be circulated around committees before review by the F & GP Committee.
  - b. Parking problems around the schools – to receive an update.
  - c. Neighbourhood Plan meeting – to receive an update
  - d. Chester Road Trees – to receive an update from the Clerk.
7. Accounts
  - a. To receive and approve the schedule of payments made or to be made. (Circulated separately)
  - b. To receive an expenditure against budget update from the Clerk up until 31<sup>st</sup> March 2019. (Circulated separately)
  - c. To consider and agree virements required to the 2019/2020 budget.
  - d. To note correspondence received from the External Auditor. (Appendix 2)
8. GDPR Audit – Draft policies and procedures (circulated separately):
  - a. To consider and resolve to approve the Data Protection Policy subject to agreed changes.
  - b. To consider and agree the Data Retention Policy subject to agreed changes.
  - c. To consider and approve the draft Privacy Notice subject to any agreed changes.
  - d. To consider and approve the Subject Access Request (SAR) Procedure and to note the draft letters.
  - e. To consider GDPR training – an update from the Clerk.
9. Planning applications received: To receive a list of planning applications received to which Kidsgrove Town Council are invited to consult on. To resolve to agree any comments to be submitted. (Circulated Separately).
10. To receive an update regarding the arrangements for the Annual Parish Meeting 2019.
11. Town Mayor's report: To receive a verbal report from the Town mayor.
12. Clerk's Report and question to the Clerk including
13. Future Key Agenda Items
  - a. Review of Financial Regulations including payment procedures. (To F&GP in May then to Council)
  - b. Health and Safety Report (Ellis Whittam) and a plan of action. (To F&GP in May then to Council)
  - c. Update on the transfer of the Town Hall from NUBC and issues arising. (To F&GP in May then to Council)
  - d. Hall Hire – Review of Booking Forms and Concessions policy. (May Meeting)
14. To agree the date of the next meeting – 16<sup>th</sup> May 2019, 19:00.

**Matters to be considered with the Press and Public Excluded:**

15. Exclusion of press and public: To resolve under 1960 (Admission to meetings) Act to exclude the press and public due to the confidential nature of the business to be discussed.
16. To consider and agree a recommendation from F&GP regarding a grant application from Kidsgrove Scouts and resolve to approve, or otherwise.
17. Bar Contract: To receive an update on the bar tender.

# Town Council

## Minutes of Meeting

Kidsgrove Town Council  
Victoria Hall  
Liverpool Road  
Kidsgrove  
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18. Minutes of the Meeting held on the 28<sup>th</sup> March, 2019

### Chairman's Room, Victoria Hall, Kidsgrove

**1819-FC7-01 Present**

Cllrs Stubbs, Cartwright, Burgess, Cooper, Burnett, Dodgson, Dymond, Johnson, Jukes, H Maxfield, M Maxfield, B Owen, J Owen, Robinson, J Waring, P Waring.

Attending: Sue Davies (Clerk), P Pattison (Administration Assistant)

Seven members of the public.

**1819-FC7-02 To receive apologies for absence**

Apologies for absence were received from Cllr Dodgson, Cllr Dillon, Cllr Bowyer and Cllr Wareham-Jones.

**1819-FC7-03 To note declarations of interest**

There were no declarations of interest made.

**1819-FC7-04 To confirm and agree the following minutes**

**a) Full Council meeting held the 21<sup>st</sup> February 2019**

The Council **resolved** to approve the minutes of the meeting held on the 21<sup>st</sup> February 2019

## Appendix 1

### **1819-FC7-05 To receive and note the draft minutes of Committee Meetings:**

#### **a) Planning, Infrastructure and Environment Committee held Monday 11<sup>th</sup> March 2019.**

The Council noted receipt and actions of the draft minutes of the Planning Infrastructure and Highways Committee dated 11<sup>th</sup> March 2019.

#### **b) Events and Community Committee held Thursday 14<sup>th</sup> March 2019.**

The Council noted receipt and actions of the draft minutes of the Events and Community Committee dated 14<sup>th</sup> March 2019.

#### **c) Finance and General Purposes Committee held Monday 18<sup>th</sup> March 2019**

The Council noted receipt and actions of the draft minutes of the Events and Community Committee dated 18<sup>th</sup> March 2019.

### **1819-FC7-06 Public Participation: A period not exceeding 15 minutes for members of the public to ask questions or submit comments.**

Residents queried the increasing number of Inspire Care Homes in the vicinity of their homes around Ravenscliffe Road and felt that social problems are the result which are affecting the quality of their lives. Support from the Town Council was requested to ensure that no more such homes be built in this particular area as rumours of a further one have been heard about.

*Cllr Stubbs agreed, as mayor, to write the Newcastle-under-Lyme Borough Council (NULBC) Planning regarding this issue.*

Parking Issues on the lower part of Burn Close were raised by a resident with a request for double yellow lines.

*Cllr G Burnett agreed to take the matter up with Staffordshire County Highways.*

A resident raised about the need for dog waste bins on a path used by school children.

*Cllr Stubbs agreed to request further bins from NULBC.*

### **1819-FC7-07 Matters arising not covered elsewhere:**

- a) It was noted that a meeting has been arranged to discuss the progression of the five-year plan on 4<sup>th</sup> April 2019, 19:00.
- b) The clerk informed that the meeting with partners to discuss parking problems in front of schools hasn't yet been organised. Cllr Burnett commented that money may be available to place additional bollards around school entrances.

### **1819-FC7-08 External Audit by Mazars.**

The Council noted the completion of the audit by Mazars for the 2017/2018 accounts and that the End of Audit will be published.

Issues raised were:

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- Failure to approve and publish the Annual Governance and Accountability Return and start the period of public rights in accordance with the timetable in the Accounts and Audit (England) regulations 2015.

*Action – Clerk to ensure all deadlines are adhered to for the 2019/2019 audit.*

- The insurance provision to ensure sufficient premises and fidelity cover highlighted by internal audit was not put in place until the 2018/2019 financial year.

*Action - None*

- The 2017/2018 accounts did not include the first ten working days of July in the 30 days period to inspect the accounts. Note – this was due to the hold up of the audit until the 2017//2018 audit was complete and should not occur again.
- Not all the recommendations of the 2016/17 internal and external audit report were completed.

*Action – The Clerk to ensure all outstanding actions are completed.*

*Action: The Clerk to implement the actions identified.*

### **1819-FC7-09 Accounts**

#### **a) Schedule of payments**

Deferred

#### **b) Expenditure against budget update from the Clerk**

Deferred

#### **c) Authorisation for the purchase of an office computer.**

The Council resolved to authorise expenditure of up to £750 subject to three quotes being obtained to demonstrate value for money.

*Action: The Clerk to progress the order.*

### **1819-FC7-10 Risk Assessment.**

The Council considered the circulated Governance risk Assessment which had been compiled by the Clerk. It was **resolved** to approve the Risk Assessment, subject to ongoing review.

## Appendix 1

### **1819-FC7-11 Committee Terms of Reference**

#### **a) Planning, Infrastructure and Highways**

The Council **resolved** to approve the Terms of Reference for the Planning, Infrastructure and Highways Committee.

#### **b) Environment and Allotments.**

The Council resolved to approve the Terms of Reference for the Environment and Allotments Committee.

#### **c) Staffing Committee**

The Council **resolved** to approve the Terms of Reference Staffing Committee.

### **1819-FC7-12 Grant Application Policy - To receive the revised grant application policy and associated documents and to approve the recommendation form F&GP that the policy be approved.**

The Council **resolved** to approve the revised grant application policy and application forms.

### **1819-FC7-13 GDPR Audit – To receive the report from the audit and draft policies**

#### **a) Report from the recent audit.**

The Council received the report from the recent GDPR Audit and noted the proposed actions. Cllr Robinson proposed that training be organised for Councillors.

*Action: The Clerk to identify training.*

#### **b) Policies and procedures relating to GDPR**

Deferred

### **1819-FC7-14 Neighbourhood Plan**

The Council approved the recommendation made by the Planning, Infrastructure and Highways Committee that a working task group be formed from members of that committee to investigate the potential benefits of a Neighbourhood Plan and to report back.

### **1819-FC7-15 Planning Applications Received**

The Council considered the circulated Planning Applications and no comments were raised. The Clerk was delegated to provide responses if councillors forwarded any concerns to her.

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### **1819-FC7-16 Grant Application – Kidsgrove Scouts**

The Council agreed to defer the application to the F&GP Committee to consider before bringing a recommendation back to Full Council. The money remaining in the 2018/2019 grants allocation was discussed and it was agreed to defer the item.

### **1819-FC7-17 Request from residents of Chester Road for financial assistance to remove the overgrown trees from the green in the absence of being able to establish land ownership.**

The Clerk updated the Council that she had been unable to establish ownership. Three quotes were available to remove the trees and the Council **resolved** to approve the work be done by N and J Tree Services.

*Action: The Clerk to progress the work.*

### **1819-FC7-18 To consider the arrangements and date for the Annual Parish Meeting 2019.**

It was agreed that the Annual Parish Meeting be held on Saturday, 11<sup>th</sup> May at 12:00 midday.

*Action: The Clerk to progress arrangements*

### **1819-FC7-19 Town Mayor's report: To receive a verbal report from the Town Mayor.**

The Mayor noted the proposal to remove the police post and said he is to write to make his feelings known. Cllr Waring agreed to write to the Staffordshire Commissioner, Matthew Ellis.

### **1819-FC7-20 Clerks Report and questions to the Clerk**

The Clerk noted that the Town Crier, John Parsons, has become a JP. The clerk was asked to write to congratulate him and to book him for the Mayor Making.

Cllr Cressida asked the Clerk about trying to obtain a 'sticker' with the Council's LOGO for the side of vehicles.

### **1819-FC7-21 Future Key Agenda items**

- a) Review of Financial Regulations including payment procedures. (April Meeting)
- b) Health and Safety Report (Ellis Whittam) and a plan of action (April Meeting)
- c) Update on the transfer of the Town Hall from NULBC and issues arising. (April meeting)
- d) Hall Hire – Review of Booking Forms and Concessions policy. (April Meeting)



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**1819-FC7-22 Matters to be Considered with the Press and Public Excluded – The Council resolved to exclude the Press and Public due to the confidential nature of the business to be discussed.**

**1819-FC7-23 Bar Contract**

The Council received an update on the current status of the bar tender and contract.

**1819-FC7-24 Staffing Matters**

The Council received a verbal report with recommendation from the Staffing Committee, including the completion of the Clerk's three-month probationary period review by the Committee, and resolved to approve the recommendations:

- The NALC annual pay increase and 1-point SPC rise be applied to both staff.
- The administration assistant to receive a further 1 point on completion of ILCA.
- The Council caretaking provision for the Victoria Hall be delegated to the Staffing Committee to resolve.

**1819-FC7-25 Town Council Contracts**

**a) Security Contract**

The Council resolved to approve the Security Contract put forward by Force 1 on a rolling basis with a review once the caretaking issues are resolved.

**b) Cleaning Contract**

The Council resolved to continue the use of the current supplier without the need to retender until caretaking issues are resolved.

**c) Ranger Service Contract**

The Council resolved to renew the Ranger contract with NULBC for a further year.

**Meeting Closed 9.25pm**

## Appendix 2

### 19. Guidance for completing AGAR Part 3

2018/19

#### Mazars Smaller Authorities External Audit Team

Unless your smaller authority is eligible to complete a declaration of no accounts (part 1) or certificate of exemption (part 2) you will need to submit a part 3 AGAR to Mazars by **Friday 5 July 2019** in either paper or electronic form. Please refer to the flowcharts attached to the e-mail we sent you if you are unsure which part you should complete.

If you decide to use the electronic form (accessible via the free to download version of [adobe acrobat reader](#)) you will still need to print the form off for signing before scanning in and e-mailing the form to us, retaining the original hard copy in case we request it at a later date. This is because the Accounts and Audit Regulations do not permit electronic signatures to evidence approval in compliance with the regulations.

Please read this guidance and the template documentation carefully both on receipt and immediately before completing AGAR Part 3.

#### 1. Submission of the Annual Governance and Accountability Return

You can either email **OR** post your signed Part 3 AGAR and supporting documents (see point 3) to us. Our email address is: [local.councils@mazars.co.uk](mailto:local.councils@mazars.co.uk)

Paper versions of Part 3 should be posted with supporting documents (see point 3) in one large envelope. The authority must pay the appropriate postage and is advised to use signed for delivery so you have evidence the documents were submitted by the deadline. Please post to the following address:

**MAZARS  
SMALLER AUTHORITIES EXTERNAL AUDIT TEAM  
SALVUS HOUSE  
AYKLEY HEADS  
DURHAM  
DH1 5TS**

#### 2. Key dates for 2018/19

Deadline by which smaller authorities must approve and publish the unaudited AGAR	<b>30 June 2019</b>
Deadline by which smaller authorities must have started the period of public rights	<b>1 July 2019</b>
Date by which we require the AGAR to be submitted to us – please see section 1	<b>5 July 2019</b>
Assurance reviews undertaken by Mazars between:	<b>15 July 2019 – 30 September 2019</b>
Deadline for publishing the audited AGAR and notice of completion	<b>30 September 2019</b>

Please note that we intend to carry out initial checks on AGAR part 3's upon receipt so you may be contacted by our team before 15 July 2019. However, this is the earliest date the Accounts and Audit Regulations allow us to issue our audit report so we do not intend to start detailed work before then. We are the appointed auditor for about 500 smaller authorities and carry out reviews in order of receipt so if you submit the AGAR close to or after the 5 July 2019 deadline your review is unlikely to take place before September.

#### 3. Documentation you must send with part 3 AGAR

Please ensure that you submit **ALL** of the following, **including the additional items in the table below** as failure to do so may result in delay and an administrative charge to the authority:

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- (a) **A Bank Reconciliation** showing balances of all bank and building society accounts as at 31 March 2019 (*an example is provided in Attachment 1.1*);
- (b) **A full explanation with figures of all significant variances** in your income or expenditure in 2018/19 compared to the previous financial year. (*Refer to Attachment 1.2*);
- (c) **A reconciliation between the closing balances in Section 2, Box 7 and Box 8, where applicable.** (Please note, a reconciliation is only applicable where the accounts in Section 2 of the Annual Return are prepared on an income and expenditure basis and the figures in Boxes 7 and 8 are different). (*Refer to Attachment 1.3*);
- (d) **A confirmation of contact details** for the Clerk, RFO (where different) and Chair, so that we can ensure our records are fully up to date. (*Refer to Attachment 2*);
- (e) **A confirmation regarding the exercise of public rights**, using a signed form stating the period chosen by the authority (*Refer to Attachment 3*);
- (f) Details of action taken in respect of all recommendations made by your external auditor in 2017/18; and
- (g) If your 2017/18 internal auditor issued a separate report to support the summary contained within AGAR part 3, a copy of that report.

Each year we are required to undertake additional audit work for a sample of smaller authorities with income and expenditure of £200,000 or less. **Your authority has been chosen for an intermediate audit as part the sample for 2018/19** and thus you are required to provide us with the following additional information:

Assertion	Additional evidence required in 2018/19
Laws and Regulations	<ul style="list-style-type: none"> <li>• Copies of acceptance of office declarations showing the members commitment to comply with the Code of Conduct for every member in post at 31 March 2019; and</li> <li>• Evidence that members have been trained in the Code of Conduct such as training materials or attendance sheets.</li> </ul>
Public Rights	<ul style="list-style-type: none"> <li>• A link to the website evidencing the notice of completion of the auditor's work on the 2017-18 AGAR through a published completion certificate and audited AGAR (<i>note the website should contain the previous 5 years annual returns / AGAR although the regulations don't prescribe how long the completion certificate should be on the website. To help evidence compliance this year we suggest the 2017-18 completion certificate is left on the website for the duration of the 2018-19 audit</i>); and</li> <li>• A copy of the notice of public rights that was displayed on the website in Summer 2018 together with a link to the website showing this year's notice.</li> </ul>
Trust Funds (where applicable)	<ul style="list-style-type: none"> <li>• The latest annual return to the Charity Commission for any trust funds that the smaller authority are sole trustees for (if the charities income is &lt;£10,000 a link to the Charities Commission web-page showing income and expenditure</li> </ul>

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	<p>have been submitted in lieu of a full annual return will suffice); and</p> <ul style="list-style-type: none"><li>• Accounts in respect of any trust funds that the smaller authority are sole trustees for with income &gt;£25,000 including the independent examiner's certificate or audit report.</li></ul>
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### 4. Errors in the annual return

Please ensure that all boxes of the annual return are completed even if it means writing nil or not applicable, that all approvals are signed and dated and the minute reference recorded. Incomplete, unsigned or undated annual returns will be returned as part of the initial checks at extra cost to the authority. If there were no numbered minutes for the meeting approving the annual return please state the date of the meeting in the minute reference box. Please also check that the accounting statement adds up using the formula at Section 2 Box 7 and the 2018/19 opening balance at Section 2 Box 1 is the same as the 2017/18 closing balance at Section 2 Box 7.

Page 2 of the AGAR part 3 contains further guidance on how the form should be completed and a brief checklist, which you should complete to evidence compliance.

We recognise that you are busy people, smaller authorities often have a single employee fulfilling the roles of clerk and Responsible Financial Officer and the proper practice set out in the Practitioner's Guide is quite onerous so errors will probably still be present in a large percentage of annual returns. When we find an error (unless trifling) we will contact you and give you the *choice* of:

- Asking us to return the AGAR for the clerk / RFO to correct, initial the amendment and return so the final, published return is materially correct and we are able to consider an unqualified opinion in the report we give at AGAR Section 3. If this option is taken we will comment on the amended error as an '*other matter*' and recommend the Authority ensures it is not repeated in future years. There will be a small charge for this option (see Section 7); or
- Accepting a qualification of our opinion at AGAR section 3. This will avoid the costs and delay associated with correction but mean that the final published return is materially incorrect and care will be needed in 2019/20 to ensure that the 2018/19 figures are restated to avoid the error carrying over.

When the Authority approves the AGAR it is good practice for members to consider which option they would prefer in the event of the external auditor finding errors.

### 5. The most common reasons for errors

In 2017/18 we found the most common reasons for errors requiring amendment or qualification were:

- **Accounting for Council Tax Support Grant and Community Infrastructure Levy:** Please note that these *do not* form part of the Precept and must be accounted for in Section 2, Box 3 (Total other receipts), not in Box 2 (Precept). Some billing authorities do not distinguish the precept and grant in remittance advices so if your grant is not stated please obtain confirmation from them of the amount of grant if any. The reference to precepts and levies on the annual return refers specifically to the Internal Drainage Board (IDB) levy and any other levies such as CIL should be treated as grants in Box 3;
- **Accounting for Fixed Assets:** Part 5 of the Practitioner's Guide states that the standard approach to valuing fixed assets at smaller authorities is to value them at their historic purchase cost and not revalue or depreciate. Donated assets and community assets like war memorials that do not have an intrinsic resale value are valued at a nominal sum of £1 and where it is known an asset was purchased but there are no records of the purchase cost, insurance value is used as a proxy in the year of recognition, but again not revalued to reflect subsequent insurance valuations. However,

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smaller authorities may value by *'any reasonable basis'* providing the alternative basis is approved by Council and applied consistently. In 2017/18 several authorities decided to exercise the discretion but did not restate the previous year figures or get the change in accounting policy approved. The easiest option for smaller authorities is to continue to value at historic cost and only amend fixed assets if there have been acquisitions or disposals in the year, but if you feel strongly that an estimate of market value is more appropriate please ensure the reason is documented and provide us with a copy of the minutes approving the change in accounting policy, restating 2017/18 if the change occurred in 2018/19;

- **Accounting for Cash in Bank:** Please note that internal transfers between bank accounts and short term investment should not impact on the annual return. They are not receipts or payments because they do not change the balance of cash and short term investments. Conversely long term investments should be recorded with fixed assets not cash in bank and the initial investment shown as a payment and redemption as a receipt. The Practitioner's Guide contains guidance on the classification of investments. Please note that the [cash and bank figure on the annual return should equal the cash book figure on the bank reconciliation](#) and not the bank statement figure (see attachment 1.1).
- **Accounting for un-presented cheques:** When a cheque is written out before 31 March but not cashed by the recipient until 2019/20 it should be entered in the cash book and included in other payments (Section 2 Box 6). It will then appear as an adjusting item on the bank reconciliation showing the difference between the cash book figure as reflected in Section 2 box 8 and the bank statement balance at 31 March. In 2016/17 several authorities treated un-presented cheques as creditors or neglected to include them in other payments, rather than showing them on the bank reconciliation.
- **Restatement of prior year figures.** If you identify that one or more of the entries on the audited 2017/18 annual return was incorrect you should head the 2017/18 column of the 2018/19 Annual return (Section 2) *'restated'* and explain each figure you have changed. You should check that both columns add up and the closing 2017/18 balance equals the opening 2018/19 balance. You should follow the same procedure if you have changed the accounting basis from receipts and payments to income and expenditure or vice versa to ensure that both columns are on the same basis. In 2017/18 incorrect approaches to restatement were common;
- **Deferred income.** In 2017/18 several authorities deferred unspent grant and levy income to 2018/19 although the income was received prior to year-end. The 2018/19 Practitioner's Guide clarifies that this is incorrect and [all receipts should be recognised immediately](#) unless they are specific to the following year and an income and expenditure accounting basis is adopted, in which case they should be treated as receipts in advance on the reconciliation at attachment 1.3;
- **Audit recommendations not implemented.** Please ensure that you review the previous year's internal and external audit report and ensure that all recommendations have been implemented and errors made in the previous year have not been repeated. If for any reason you have not implemented a recommendation please explain the reason and consider [answering no to assertion 7 \(action on audit reports\) in the Annual Governance Statement](#). A common qualification in 2017/18 was where assertion 7 was ticked 'yes' and yet errors the previous auditors reported in 2016/17 had been repeated;
- **Absence of a free to access website.** Apart from parish meetings, all smaller authorities must have a free to access website and ensure that this includes all the documents required by the [Transparency Code and the Accounts and Audit Regulations](#). This includes, minutes and agendas, unaudited and audited annual returns and notices of public rights and completion. In 2017/18 we found a significant number of smaller authorities either did not have access to such a website or did not publish the required documentation on it;
- **Approval in the incorrect order.** It is good practice to complete and approve the sections of the AGAR sequentially (internal audit report, followed by governance statement, followed by accounting statement). It is essential that [the clerk / RFO signs the AGAR before it is approved](#) and the [governance statement is approved no later than the accounting statement](#). In 2017/18 the majority of authorities signed and approved all sections at the same meeting but a few approved the accounting statement at an earlier meeting or approved an unsigned return;
- **Internal auditor marking yes when they meant not applicable.** The internal audit report at the front of the AGAR does not contain a column for *'not applicable'* (except for trust funds) so where this is the appropriate response (e.g. the authority does not have petty cash), the correct answer is *'not covered'* with an [explanation in the box below](#) as to why there is nothing to audit rather than answering 'yes' as several internal auditors did in 2017/18; and
- **Inconsistent answers on trust funds.** The internal audit report, the governance statement and the accounting statement all have questions on trust funds and it is important that they are [answered](#)

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consistently. For example, if there are no trust funds the correct answers should be 'not applicable', 'not applicable' and 'no' respectively.

### 6. Sources of advice and guidance

Please ensure that you read the 2018/19 Practitioner's Guide carefully whenever you have a query in respect of governance and accountability. Sections 1-3 of the Guide are mandatory, Sections 4 and 5 are good practice. SAAA publish the guide on their website together with a useful summary of the requirements – please see the following link: <http://www.localaudits.co.uk/guidance.html>

In the majority of cases the Guide should answer your query. If it does not you should first contact your sector membership organisation:

- o NALC and County Associations: [www.nalc.gov.uk/about-county-associations](http://www.nalc.gov.uk/about-county-associations)
- o Society of Local Council Clerks: [www.slcc.co.uk](http://www.slcc.co.uk)

If you remain unclear please feel free to contact us using the e-mail address for submission of the annual return and a member of our team will get back to you as soon as possible. We would like to help you avoid errors as right first time is good for us as well. However, the contract does not require auditors to offer a dedicated helpline and you should not use Mazars as a first point of call.

### 7. External audit fees

The fees you pay your external auditor are set by Smaller Authorities Audit Appointments Limited (SAAA) and not the auditor. The fees are the same for all 3 audit suppliers. The fixed element depends on the authority's income and expenditure in 2018/19. The fee scales are published on the SAAA website: <http://localaudits.co.uk/fees.html>

In addition to this fixed element SAAA require external auditors to charge:

- £40 for each reminder about overdue AGARs or supporting documentation and every time an AGAR is sent back for amendment; and
- A variable charge based on hourly rates of between £105 and £355 per hour for work considering challenge from electors, exercising statutory powers such as reporting in the public interest or assisting in special investigations such as suspected fraud. These additional fees are charged to a small percentage of smaller authorities but can amount to thousands of pounds due to the sensitivity and complexity of the issues and the use of highly qualified and experienced senior staff to undertake the work. Sometimes the auditor may undertake substantial extra work and conclude the authority has not been at fault and in these cases we will normally discount these hourly rates but we must always recover our costs.

### 8. Other guidance

It is important to understand that although we are your external auditors the assurance reviews SAAA ask us to complete at smaller authorities (those spending less than £6.5 million per annum) are limited compared to the work we undertake at larger authorities in order to keep the work proportionate to the risk. The reviews are not strictly audits as defined by international auditing standards but they have historically been referred to as audits. If your authority has income or expenditure above £200,000 in 2018/19 we will undertake some additional procedures known as (intermediate procedures) and require additional documentation from you. We have based our information request on your income and expenditure in 2018/19 so **if the Authority was below the £200,000 threshold in 2017/18 but above it in 2018/19 please let us know immediately as we will need to inform you of the additional information required.**

There is a statutory requirement for all councils to provide local electors and other interested parties with the opportunity to inspect the Annual Return and supporting documentation. Further guidance regarding these requirements is provided in **Attachment 3 & 3.1** which will allow you to comply with the statutory requirements.

We enclose a pro-forma template "Notice of appointment of the date for the exercise of electors' rights" and accompanying notes for you to use when advertising the arrangements on your website [**Attachments 3.2**].

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Whilst we try to ensure that we identify any potential conflicts of interest as they arise, it is not easy for us to keep up to date with changes affecting every local council. I would be grateful if you could draw your Council's attention to this matter and contact us immediately if you become aware of any potential conflicts of interest that might affect our independence (e.g. if Mazars LLP provides personal accountancy/tax advice to a councillor).

The nature and scope of the audit is governed by the Code of Audit Practice and the National Audit Office's Guidance to Auditors. Our work will be performed in accordance with this guidance. If you have any questions or complaints relating to our audit work, SAAA encourages you to contact us in the first instance. Please put your concerns in writing to Jac Berry, Head of Quality, Mazars LLP, Tower Bridge House, St Katharine's Way, London E1W 1DD. If you are not satisfied with our response, you can complain to SAAA at 77 Mansell Street, London E1 8AN.

When we issue our audit reports we intend to issue client satisfaction forms and we encourage you to return these so we can address any concerns and continue to deliver quality assurance reviews in a friendly and professional way. We hope this guidance has been useful.

**Bank reconciliation – Example**

This reconciliation must include **all** bank and building society accounts and other short-term investments\*. It **must** agree to Box 8 in the column headed "Year ending 31 March 2019" in Section 2 of the Annual Return. It will also agree to Box 7 where the accounts are prepared on a receipts and payments (cash) basis.

Local Council Name \_\_\_\_\_

Financial year ending 31 March 2019

Prepared by \_\_\_\_\_ (Name and Position) Date \_\_\_\_\_

Balance per bank statements as at 31 March 2019:	£	£
e.g. Current account		
High interest account		
Building society premium a/c		_____
Petty cash float (if applicable)		
Less: any un-presented cheques at 31 March 2019 (normally only current account)		
Cheque number		_____
Add: any un-banked cash at 31 March 2019		
e.g. Allotment rents banked 31 March 2019 (but not credited until 1 April)		_____
Net balances as at 31 March 2019		_____

***The net balances reconcile to the Cash Book (receipts and payments account) for the year, as follows:***

**CASH BOOK**

Opening Balance 1 April 2018

Add: Receipts in the year

Less: Payments in the year

Closing balance per cash book [receipts and payments book] as at \_\_\_\_\_  
31 March 2019 (**must equal net balances above**) \_\_\_\_\_

\* **Note:** Long-term investments should be excluded from the bank reconciliation and from Section 2, Boxes 1, 7 and 8. They must be shown in Section 2, Box 9 and recorded in the asset and investment register.



**Explanation of significant variances in the accounting statements - Section 2**

Local council name: \_\_\_\_\_

**Please explain any variances of more than 15% between the totals for individual boxes in Section 2.**

We do not require explanations for variances of less than £200; however, in some cases there may be 'compensating' variances which leave the overall total for a box relatively unchanged – e.g. where there was a major one-off project in one year (e.g. contribution to village hall extension of £30,000), but a totally different expense of a similar size in the next (e.g. purchase of playground equipment of £28,000). In such cases, it would be helpful to provide an explanation of movements within each box. **We also ask you to explain any change where there is a movement to or from zero.** Please either use the proforma below, or complete a separate schedule if more space is required.

<b>Section 2</b>	<b>2017/18 £</b>	<b>2018/19 £</b>	<b>Variance (+/-) £</b>	<b>Detailed explanation of variance (for each reason noted please include monetary values (to nearest £10))</b>
<b>Box 2</b> <i>Precept</i>				
<b>Box 3</b> <i>Other income</i>				
<b>Box 4</b> <i>Staff costs</i>				
<b>Box 5</b> <i>Loan interest/ capital</i>				
<b>Box 6</b> <i>Other payments</i>				
<b>Box 7</b> <i>Balances carried forward</i>				If some of the year-end balances are earmarked for specific purposes rather than as a general reserve, please provide a breakdown.
<b>Box 9</b> <i>Fixed assets &amp; long term assets</i>				<b>Explain all movements in this category and not just those above 15%</b>
<b>Box 10</b> <i>Total borrowing</i>				

Appendix 2

**Reconciliation between Box 7 and Box 8 in Section 2 (31/03/2019). Note – this form is only required for authorities preparing their accounts on an income and expenditure basis**

Local council name: \_\_\_\_\_

There should only be a difference between Box 7 and Box 8 where the accounts are prepared on an Income & Expenditure basis and where there are year-end adjustments for debtors/prepayments and creditors/receipts in advance. Please provide details of the year-end adjustments, showing how the net difference between them is equal to the difference between Boxes 7 and 8.

		£	£
<b>Total of Box 7: Balances carried forward (31/3/2019)</b>			
Deduct:	Debtors		
	•		
	•		
	•		
	•		
Deduct:	Payments made in advance (prepayments)		
	•		
	•		
<b>Total deductions</b>			
Add:	Creditors		
	•		
	•		
	•		
	•		
Add:	Receipts in advance		
	•		
	•		
<b>Total additions</b>			
<b>Total of Box 8: Total cash and short term investments (31/3/2019)</b> (must agree to the net balances on bank reconciliation)			

Attachment 2

Local Council name: \_\_\_\_\_

**Confirmation of contact details**

Please confirm the contact details for the Clerk, RFO (if not the clerk) and Chair, to assist us in ensuring that our records are kept up to date:

Clerk's name:	RFO's name (if not clerk)	Chair's name
Clerk contact address: ..... ..... ..... ..... ..... ..... ..... ..... .....	RFO contact address: ..... ..... ..... ..... ..... ..... ..... .....	Chair contact address: ..... ..... ..... ..... ..... ..... ..... .....
Telephone: Primary contact number: .....  Mobile/Alternative number: .....	Telephone: Primary contact number: .....  Mobile/Alternative number: .....	Telephone: Primary contact number: .....  Mobile/Alternative number: .....
Clerk e-mail: .....	RFO e-mail: .....	Chair e-mail: .....

***Please return this form together with the Annual Governance & Accountability Return and other information requested.***

**Confirmation regarding the exercise of public rights**

Local Council name: \_\_\_\_\_

The Council must inform the electorate of a 30 working day period during which public rights may be exercised.

The inspection period must include the first **10 working days** of July 2019. It must start the day after the annual return has been published on your website (or noticeboard for parish meetings) and publication must be as soon as practical after the unaudited annual return has been approved by the Authority.

Working days are defined as Monday – Friday. They **do not** include Saturdays, Sundays and Bank holidays.

*(See calendar guide overleaf)*

The inspection period commences on: \_\_\_\_\_

And ends on: \_\_\_\_\_

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Position held: \_\_\_\_\_

## Exercise of public rights – calendar guide 2019

3 June is the **earliest** date you can start the inspection period to include the first 10 working days of July (The inspection period would end on 12 July). *Remember the annual return has to be approved and published first so for most councils the period will start later.*

June						
Mo	Tu	We	Th	Fr	Sa	Su
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

The inspection period **MUST** include the first 10 working days of July 2019 – highlighted in **red**

1 July is the **latest** date you can start the inspection period (the inspection period would end on 9 August)

July						
Mo	Tu	We	Th	Fr	Sa	Su
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Your inspection end date can be no later than 9 August

August						
Mo	Tu	We	Th	Fr	Sa	Su
			1	2	3	4
5	6	7	8	9	10	11

## **WHAT COUNCILS NEED TO DO TO ADVERTISE THE AUDIT**

The Local Audit and Accountability Act 2014 as summarised in the Accounts and Audit (England) Regulations 2015 (*Statutory Instrument No. 234*), and the Code of Audit Practice require that:

1. The accounts to be audited (the Annual Return) and other documents such as books, deeds, contracts, bills, vouchers and receipts relating to them must be made available for inspection by any person interested on reasonable notice, during a period of 30 working days selected by the Authority but always including the first 10 working days of July.
2. The notice advertising the inspection period must be published with the accounts and must state:
  - (1) The period of 30 working days during which the Annual Return, and other documents referred to in paragraph 1 above will be available for public inspection;
  - (2) Details of the manner in which notice should be given of an intention to inspect the accounts and other documents;
  - (3) The name and address of the auditor; and
  - (4) The provisions contained in section 26 (inspection of documents and questions at audit) and section 27 (right to make objections at audit) of the Act

The Authority may wish to use the template at attachment 3.2 to advertise the audit.

Please see the link below for the changes to the inspection and notice period as per Statutory Instrument No. 234 (copy overleaf for your ease).

[http://www.legislation.gov.uk/uksi/2015/234/pdfs/uksi\\_20150234\\_en.pdf](http://www.legislation.gov.uk/uksi/2015/234/pdfs/uksi_20150234_en.pdf).

## PART 5

### Inspection and notice procedure

#### Period for the exercise of public rights

**14.**—(1) Any rights of objection, inspection and questioning of the local auditor conferred by sections 26 and 27 of the Act may only be exercised within a single period of 30 working days.

(2) The period referred to in paragraph (1) starts with the day on which the period for the exercise of public rights is treated as having been commenced in accordance with regulation 15(3).

(3) During the period for the exercise of public rights a relevant authority must make the documents referred to in section 26(1) of the Act available for inspection on reasonable notice at all reasonable times.

#### Commencement of the period for the exercise of public rights

**15.**—(1) The responsible financial officer for a relevant authority must, on behalf of the authority, ensure that commencement of the period for the exercise of public rights under regulation 9(1)(b) or 12(3)(a) (as the case may be), takes place on such a day that ensures that the period referred to in regulation 14(1) includes—

- (a) ~~the first 10 working days of June of the financial year immediately following the end of the financial year to which the statement relates, where that authority is a Category 1 authority; or~~
- (b) the first 10 working days of July of the financial year immediately following the end of the financial year to which the statement relates, where that authority is a Category 2 authority.

Local council name: \_\_\_\_\_

**Notice of appointment of date for the exercise of public rights  
Accounts for the year ended 31<sup>st</sup> March 2019**

The Local Audit and Accountability Act 2014, and  
The Accounts and Audit (England) Regulations 2015 (SI 234)

<p>1. Date of announcement: _____ (a)</p> <p>2. Each year the Council's/Meeting's (b) Annual Return is audited by an auditor appointed by Public Sector Audit Appointments Limited. Any person interested has the right to inspect and make copies of the accounts to be audited and all books, deeds, contracts, bills, vouchers and receipts relating to them. For the year ended 31 March 2019 these documents will be available on reasonable notice on application to:</p> <p>(c) _____ _____ _____</p> <p>commencing on (d) _____</p> <p>and ending on (e) _____</p> <p>3. Local Government Electors and their representatives also have:</p> <ul style="list-style-type: none"> <li>• the opportunity to question the auditor about the accounts; and</li> <li>• the right to make objections to the accounts or any item in them. Written notice of an objection must first be given to the auditor and a copy sent to the Council/Meeting (f).</li> </ul> <p>The auditor can be contacted at the address in paragraph 4 below for this purpose during the inspection period at 2 above.</p> <p>4. The audit is being conducted under the provisions of the Local Audit and Accountability Act 2014, the Accounts and Audit (England) Regulations 2015 and the National Audit Office' Code of Audit Practice. Your audit is being carried out by:</p> <p>Mazars LLP, Salvus Aykley Heads, Durham, DH1 5TS</p> <p>5. This announcement is made by (g) _____</p>	<p>(a) Insert date of placing of this notice on your website.</p> <p>(b) Delete as appropriate.</p> <p>(c) Insert name, position and contact details of the Clerk or other person to whom any person may apply to inspect the accounts.</p> <p>(d) And (e) The inspection period must include 1 July 2019 to 12 July 2019 inclusive and be 30 working days in total.</p> <p>(f) Delete as appropriate</p> <p>(g) Insert name and position of person placing the notice</p>
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## Councils' Accounts: A Summary of Public Rights

### The basic position

By law any interested person has the right to inspect a council's/meeting's accounts. If you are entitled and registered to vote in local council elections then you (or your representative) have additional rights to ask the appointed auditor questions about the council's accounts or object to an item of account contained within them.

### The right to inspect the accounts

When your council has finalised its accounts for the previous financial year it must advertise that they are available for people to inspect. Having given the council reasonable notice of your intentions, you then have 30 working days to look through the accounting statements in the Annual Return and any supporting documents. By arrangement, you will be able to inspect and make copies of the accounts and the relevant documents. You may have to pay a copying charge.

### The right to ask the auditor questions about the accounts

You can only ask the appointed auditor questions about the accounts. The auditor does not have to answer questions about the council's policies, finances, procedures or anything else not related to the accounts. Your questions must be about the accounts for the financial year just ended. The auditor does not have to say whether they think something the council has done, or an item in its accounts, is lawful or reasonable.

### The right to object to the accounts

If you think that the council has spent money that it should not have, or that someone has caused a loss to the council deliberately or by behaving irresponsibly, you can request the auditor to apply to the courts for a declaration that an item of account is contrary to law. You do this by sending a formal '*notice of objection*' to the auditor at the address below. **The notice must be in writing and copied to the council.** In it, you must tell the auditor why you are objecting and what you want the auditor to do about it. The auditor must reach a decision on your objection. If you are not happy with that decision, you can appeal to the courts.

You may also object if you think that there is something in the accounts that the auditor should discuss with the council or tell the public about in a '*public interest report*'. You must follow the same procedure as outlined in the previous paragraph. The auditor must then decide whether to take any action. The auditor does not have to, but usually will, give reasons for his/her decision and you cannot appeal to the courts. More information is available on the National Audit Office website (see contact details below).

You may not use this '*right to object*' to make a personal complaint or claim against your council. You should take such complaints to your local Citizens' Advice Bureau, local Law Centre or your solicitor. You may also be able to approach the Standards Committee of your local principal authority if you believe that a member of the council has broken the Code of Conduct for Members.

### What else you can do

Instead of objecting, you can give the auditor information that is relevant to his/her responsibilities. For example, you can simply tell the auditor if you think that something is wrong with the accounts or about waste and inefficiency in the way the council runs its services. You should make it clear that you are providing information rather than making a formal objection. You do not have to follow any set time limits or procedures. The auditor does not have to give you a detailed report of any subsequent investigation, but will usually tell you the outcome.

### A final word

Councils, and so local taxpayers, must 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. The auditor will only continue with the objection if it is in the public interest to do so. If you appeal to the courts, you might have to pay for the action yourself.

### Who should you contact?

<p>For more detailed guidance on electors' rights and the special powers of auditors, copies of the publication <b>Council Accounts – a guide to your rights</b> are available by calling the National Audit Office on 020 7798 7000 or downloading from the website <a href="https://www.nao.org.uk/">https://www.nao.org.uk/</a></p>	<p>If you wish to contact your Council's appointed external auditor please write to:</p> <p>Cameron Waddell, Mazars LLP, Salvus House, Aykley Heads, Durham, DH1 5TS</p>
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