

**(a) Great Wyrley Parish Council – Outcome of 2021 Audit Investigation**

As Members are already aware Mazars, the Parish Council's External Auditors, received a complaint under Notice of Objection Section 27 of the Local Audit and Accountability Act 2014 from a resident of Great Wyrley against the accuracy of the 2020/21 AGAR.

The complaint was lodged on 10<sup>th</sup> August 2021 and included a request for the auditors to issue a Public Interest Report as the objector believed that the Parish Council had acted unlawfully.

Following these allegations a full investigation was undertaken by Mazars, the cost to the public purse amounting to £5,500. The full results of the investigation dated 6<sup>th</sup> December 2021 are set out in the attached **Appendix 1.**

In summary the Auditor has stated that except for the matters stated in Section 3 of the External Audit Report 2020/21, on the basis of their review of the Annual Return, in their opinion the information in the Annual Return is in accordance with proper practices and no other matters have come to their attention giving cause for concern that relevant legislative and regulatory requirements have not been met.

**Response to the External Auditor's Limited Assurance Opinion 2021**

The Auditors assert that the Parish Council did not monitor actual performance against budget during the year as required by proper practice. This will be addressed within the new financial package. Going forward the Parish Council will now submit a mid-year performance review to the Annual Governance and Audit Committee and subsequently to full Council.

It is intended to investigate further the possibility of utilising a debit card facility which has now been offered by Natwest. This situation now needs to be considered as the External Auditors have penalised the Parish Council for allowing staff members to use their personal finances to procure the best price for items required by the Parish Council. This took place on a number of occasions throughout the lockdown periods of 2020 and 2021. The external auditors accepted that this practice was utilised with the best of intentions; indeed in some cases there was no alternative due to the restrictions imposed by the global pandemic in order for Parish Business to continue to operate. However, these restrictions have now been relaxed and an alternative way forward needs to be fully investigated and executed.

It should be noted at this point that part of the narrative contained in the issues raised under the Accounts and Audit Regulations and Corona Virus Regulations 2020 relate to the publication of the Notice of Electors Rights to Inspect the Parish Council's Financial Records in 2020. This anomaly arose as the Parish Council is contractually obliged to include the second day of a statutory Bank Holiday in its holiday entitlement, however, this is not recognised within the 30 working days allowed for the inspection to take place. Consequently the Auditors disagreed with the Parish Council's calculation of the 30 day period. In fairness, it was felt that to advertise an opportunity to view the accounts on a day when it was known that the Parish

Council Offices would be closed was considered to be both misleading and unfair to the general public.

The Parish Council will in future ensure that the External Audit Report is formally considered in public and appropriate action, in response to any recommendations, taken within reasonable time and reported at the next available meeting from the receipt of the Auditors Report.

The Parish Council's response to the issues raised in the External Auditors Report relating to Other Matters is set out below:-

To ensure that the Annual Governance and Accountability Return is both accurate and complete, the following steps have been taken and will be followed to minimise any human error or misinterpretation.

For Members information this situation arose due to the fact that the Clerk to the Parish Council who is also the Responsible Financial Officer of the Council does not personally prepare the annual accounts. It is not part of her contracted duties and never has been.

The Parish Administrator carries out the daily book keeping and reports to the Council on a monthly basis, this data is published on the website and in the event of an error being discovered the Parish Administrator is completely open in her process of apology, acceptance and noted correction on the website. The conversion of the data produced by the Parish Administrator is then undertaken by a third party, subsequently forming the Annual Accounts and providing the information stated on the completed AGAR.

On this occasion the third party misinterpreted the information the Parish Council provided and the Parish Council found itself in the position where it was under investigation with the threat of the Public Interest Report which was requested by the resident who had objected.

The resident who lodged the objection with the Council's External Auditors has sight of the books every year during the 30 day period when Local Government Electors have a right to inspect the books of any Parish Council under Section 25 of the Local Audit and Accountability Act 2014.

At this time the objector converses with the Parish Administrator relating to any data which she had prepared on behalf of the Parish Council. However, when examining the documents for the year in question the objector raised a concern regarding the converted data that the Parish Administrator was unable to expand on; consequently the third party contractor responded to the objector directly. It is recommended that any future discourse of this nature will emanate from the Responsible Financial Officer of the Parish Council.

The Parish Council has now taken a number of actions to ensure that this situation will not arise in the future.

- The Parish Council has now purchased the Scribe Finance Package which is a computer program specifically designed for Parish Councils. Scribe has the capability to produce the AGAR form and Annual Accounts and is expected to result in the lack of need for a third party to be contracted to produce the annual accounts.

- In order to be able to utilise the full capabilities of the Scribe Finance Package the Parish Administrator has dedicated herself to inputting every financial transaction which has taken place since 1<sup>st</sup> April, 2021 onto the system over the last two months.
- This has been a mammoth task in itself and her determination to accomplish it in order to ensure that the package is able to produce the accounts for the forthcoming financial year is humbling to the say the least.
- However, in fairness this financial package is very new to us and both consideration and patience may be required to overcome any teething troubles through the training process. The actual conversion of the data into AGAR and accounts will be overseen by an accredited Officer of Scribe to ensure a seamless transfer. It would be wrong not to assume that there will be anomalies arising from this initial year of data transfer, however, we are assured that assistance is freely available. Please be assured that any anomalies will be investigated and resolved.
- The Parish Council is to form a sub-committee to oversee the compilation of both the Annual Accounts and the AGAR submission to the External Auditor. Formation of the Committee and election of its Members to take place on 2<sup>nd</sup> February, 2022 at the meeting of Full Council.
- The Financial Regulations of the Parish Council will be reviewed following the inaugural meeting of the Annual Governance and Audit Committee

Sian McGlue  
Clerk to the Parish Council  
18<sup>th</sup> January, 2022