



# HALE PARISH COUNCIL

## OF THE HALTON BOROUGH IN THE COUNTY OF CHESHIRE



DATED THIS TWENTY-SIXTH DAY OF AUGUST 2020

**MEMBERS OF HALE PARISH COUNCIL ARE HEREBY SUMMONED TO ATTEND  
THE EXTRA ORDINARY MEETING OF  
HALE PARISH COUNCIL**

**TO BE HELD AT 7.30PM ON THE THIRTY-FIRST DAY OF AUGUST 2020 TO  
TRANSACT BUSINESS AS SHOWN IN THE AGENDA.**

This meeting is to be held remotely, adhering to the legislation of the Coronavirus Act 2020.

The meeting will be accessible to members of the public via the internet or telephone. For instructions on how to access the meeting, please email [clerk@haleparishcouncil.gov.uk](mailto:clerk@haleparishcouncil.gov.uk) or call 07803611222.

**Mr Brian Hargreaves**  
**Clerk + Responsible Financial Officer**

**Note to Councillors:**

If you are unable to attend the meeting, please notify the Clerk of your apologies.

**Note to Public:**

*Members of the public wishing to address the Council should note that they must advise the clerk before 10am on the day of the meeting both of their wish to participate in the public forum and their topic. If residents fail to inform the clerk prior to the meeting, permission to speak at the meeting will be at the discretion of the Chairman. All participants are restricted to a maximum of three minutes. If the public wish to ask the Council questions, please note that the Council may not be able to answer the question if the council has not considered or resolved the question on an agenda item at a prior meeting. Should this be the case, the Council will advise correspondence with the clerk to request the item be discussed at a future parish council meeting. If the question is considered outside the remit of Hale Parish Council, residents will be referred to Halton Borough Council.*

**MEETING AGENDA**

1. To receive apologies.
2. To receive declarations of interest.
3. To adjourn the meeting for a period of public participation.

4. To receive the Internal Auditor's Report and note that all twenty-three issues that were highlighted in the 2018/2019 report were resolved and the Internal Auditor has accepted all actions taken.
5. To approve that the Notice of Public Rights to inspect the accounts for the year ended 31 March 2019 be published commencing on 1 September 2020 and ending on 12 October 2020.
6. To note that in approving item five of this agenda, the Council has resolved the one issue arising from the 2019/2020 audit report and that there are hereby no outstanding governance or accounting issues that Hale Parish Council need to address.
7. To note that the Internal Auditor has advised that the Council has completely "transformed" and made "amazing progress" that can be evidence by "anybody who compares the findings of 2018/2019 report with that of 2019/2020".
8. To consider Section 1 of the Annual Governance Statement 2019/2020 and consider whether Hale Parish Council confirms it has (or has not) satisfied any or all of the nine objectives as described within this section of the AGAR.



# Hale Parish Council

Internal Audit 2019/20

JDH BUSINESS SERVICES LTD



The internal audit of Hale Parish Council is carried out by undertaking the following tests as specified on the Annual Return for Local Councils in England:

- Checking that books of account have been properly kept throughout the year
- Checking a sample of payments to ensure that the Council's financial regulations have been met, payments are supported by invoices, expenditure is approved, and VAT is correctly accounted for
- Reviewing the Council's risk assessment and ensuring that adequate arrangements are in place to manage all identified risks
- Verifying that the annual precept request is the result of a proper budgetary process; that budget progress has been regularly monitored and that the council's reserves are appropriate
- Checking income records to ensure that the correct price has been charged, income has been received, recorded and promptly banked and VAT is correctly accounted for
- Reviewing petty cash records to ensure payments are supported by receipts, expenditure is approved and VAT is correctly accounted for
- Checking that salaries to employees have been paid in accordance with Council approvals and that PAYE and NI requirements have been properly applied
- Checking the accuracy of the asset and investments registers
- Testing the accuracy and timeliness of periodic and year-end bank account reconciliation(s)
- Year end testing on the accuracy and completeness of the financial statements
- Reviewing whether the council has met its responsibilities as a trustee

### **Conclusion**

On the basis of internal audit work carried out, which was limited to the tests above, in our view the council's system of internal controls is in place, adequate for the purpose intended and effective, subject to the recommendations reported in the action plan overleaf. As part of the internal audit work for the next financial year we will follow up all recommendations included in the action plan.

**JDH Business Services Limited**

# **INTERNAL AUDIT REPORT**

## INTERNAL AUDIT REPORT

	ISSUE	RECOMMENDATION	FOLLOW UP
1	The council did not comply with Regulation 15 of the Account and Audit Regulations 2015 as it failed to make proper provision for the exercise of public rights in Summer 2019 for the 2018/19 accounts as the approval date of the accounts in the AGAR annual return was after the start date of the period for the exercise of public rights.	<i>The council must ensure that it makes proper provision for the exercise of public rights for every financial year</i>	
2	The council made a number of payments earlier in the financial year via a Debit Payments Card. After the review of our 2018/19 internal audit report at the end of August 2019, usage of a debit card ceased. The Financial Regulations do not authorise the use of a Debit Payment Card. Therefore, there were no regulations in place setting the control procedures for the use of the Debit Card. including setting a maximum transaction limit, authorising procedures for payments, and a maximum monthly and annual limit.	<i>Financial Regulations must always be updated to authorise the use of a new form of payment such as a Debit Card. Should a debit card, credit card or other payments card be considered for use in the future, the Financial Regulations must be updated to establish the internal controls over the use of the council payment card . These controls should ensure there is a transaction limit placed on the card as well as a monthly and annual limit.</i>	<b>NB this is a recommendation for any potential future use of a payments card. Our 2018/19 recommendation regarding the Debit Card was implemented during 2019/20 as use of a Debit Card ceased.</b>



## INTERNAL AUDIT REPORT

	ISSUE	RECOMMENDATION	FOLLOW UP
3	<p>Fixed Assets:</p> <ul style="list-style-type: none"> <li>Expenditure testing identified purchases of benches and a sewing machine in 2019/20, however, these additions could not be identified in the fixed asset register.</li> <li>The asset register does not contain a column for date of purchase (month and year), therefore, it is difficult to identify in which financial year additions and disposals occurred.</li> <li>Community assets are valued at £nil, however, the Practitioner's Guide requires all assets to have a value of at least £1: 'In the special case where an authority receives an asset as a gift at zero cost, for example by transfer from a principal authority under a community asset transfer scheme, the asset should be included in the asset register with a nominal one pound (£1) value as a proxy for the zero cost.'</li> <li>The valuation method of the village hall has</li> </ul>	<p><i>The council need to review the 2019/20 fixed asset register and ensure that all capital items that are fixed asset additions and that are owned by the council are included in the asset register. The council need to review capital expenditure annually and update the asset register for capital items that are fixed assets (ie have a useful life of in excess of one year) which are owned by the council.</i></p> <p><i>The asset register format should be improved by adding month as well as year of purchase.</i></p> <p><i>The asset register should be amended to record community assets at £1 value each.</i></p> <p><i>The Council need to review the asset register and disclose the correct value in the Annual Return which should equate to the value for fixed assets disclosed in the 2018/19 annual return plus additions at cost less disposals at carrying value, <b>unless</b> there is a council resolution that supports the changes that have been made to the fixed asset</i></p>	<p><b>NB The council have updated the asset register and included the revised fixed asset value in the final 2019/20 AGAR</b></p>

## INTERNAL AUDIT REPORT

	ISSUE	RECOMMENDATION	FOLLOW UP
<b>2018/19 internal audit</b>			
<p><b>There are a significant number of issues raised below with recommendations for action. The issues that need resolution cover almost all areas of the council business, control objectives and associated governance. Therefore, to ensure the council can effectively implement the action plan and embed the changes required, we recommend there is a period of consistency in the officer resources that will be tasked with supporting the council with implementation of the internal audit action plan.</b></p>			
<b>AGAR internal control objective A – Appropriate Accounting Records kept throughout financial year</b>			
1	<p>The accounting records for the year have recently been produced after the year end using SCRIBE software. We have not seen any evidence that accounting records, including a cash book, were maintained on an ongoing basis during the financial year.</p>	<p><i>The previous system for completely and accurately recording all receipts and payments transactions of the council was not fit for purpose and therefore the council should ensure a robust accounting system is used in future.</i></p>	<p><b>Implemented - Receipts and payments have been recorded in an accounts spreadsheet for 2019/20</b></p>
<b>AGAR internal control objective B – Compliance with Financial Regulations, payments supported by invoices, all expenditure approved and VAT appropriately accounted for</b>			



## INTERNAL AUDIT REPORT

	ISSUE	RECOMMENDATION	FOLLOW UP
2	<p>There were no adopted Financial Regulations in place during 2018/19 nor any other document evidencing any adopted internal control procedures.</p> <p>Standard Financial Regulations require a council to obtain, where required, a borrowing approval when obtaining a loan. There was no information in the books and records presented for audit whether a borrowing approval had been considered for the £20000 loan with the principal council.</p>	<p><i>The council should adopt NALC model Financial Regulations which have been aligned to the council scope and activity, including appropriate regulations for procurement and online banking.</i></p> <p><i>The council should always consider whether a borrowing approval is needed before undertaking any form of loan.</i></p>	<p><b>Implemented</b></p> <p><b>Noted</b></p>
3	<p>We were informed that the bank account has been controlled by the Chairman and the previous clerk could also make payments on their own during 2018/19. Therefore the requirement that all transactions are authorised by a minimum of two members has not been in place. The system in place in 2018/19 meant that any one of two individuals could withdraw any quantity of council funds.</p>	<p><i>The council need to urgently change internet banking controls to ensure two members can authorise every payment</i></p>	<p><b>Implemented – banking is now via Unity Trust which permits dual authorisation by members for online payments</b></p>

## INTERNAL AUDIT REPORT

	ISSUE	RECOMMENDATION	FOLLOW UP
4	The Chairman also has control of the Debit Card and can make payments without recourse to council. There are no FRs in place setting the control procedures for the use of the Debit Card. including setting a maximum transaction limit, authorising procedures for payments, and a maximum monthly and annual limit.	<i>Financial Regulations must be adopted that also set internal controls over the use of the council Debit Card. These controls should ensure there is a transaction limit placed on the card as well as a monthly and annual limit. All Debit Card payments should be approved by council.</i>	<b>Implemented as use of debit card ceased during 2019/20</b>

## INTERNAL AUDIT REPORT

	ISSUE	RECOMMENDATION	FOLLOW UP
5	<p>Payments authorisation testing:</p> <ul style="list-style-type: none"> <li>- The November payments schedule is not signed by members as evidence of authorisation</li> <li>- No minutes were available for the period between November 2<sup>nd</sup>, 2018 and 25<sup>th</sup> March 2019. Therefore, there is no evidence any of the payments between these periods were authorised by council. In addition, no payments were approved in the March 25<sup>th</sup> 2019 meeting</li> <li>- Minutes are loose leaf with no annual sequence of numbering, therefore, the Chair should have initialed every page of the minutes rather than signing the last page of the minutes.</li> <li>- The references recorded on vouchers do not correlate with the Scribe voucher</li> </ul>	<p><i>All payment schedules approved by council should be signed.</i></p> <p><i>All payments should be put to council for approval and a complete record of all signed minutes should be retained.</i></p> <p><i>Every page of loose leaf minutes should be initialed by the Chair.</i></p> <p><i>The audit trail should be improved by recording the SCRIBE transaction number on the invoices/ vouchers</i></p>	<p><b>Implemented</b></p>



## INTERNAL AUDIT REPORT

	ISSUE	RECOMMENDATION	FOLLOW UP
6	<p>Internal vouchers are regularly used as a substitute for a third party voucher, invoice or confirmation of receipt. For example the following higher value payments were not supported by any third party voucher/invoice or confirmation of receipt:</p> <ul style="list-style-type: none"> <li>- Transaction 20 £1200 payee St Marys Church</li> <li>- Transaction 21 £20116 payee Halton Borough Council (loan repayment)</li> <li>- Transaction 52 £5000 Hale village hall</li> <li>- Transaction 89 £776.3 Tommy Figure</li> <li>- Transaction 124 £1500 Hale Village Hall</li> </ul> <p>Transaction 53 for £1075 is for the purchase of a noticeboard by is supported by a hand written note on the back of an event flier.</p>	<p><i>The council should secure invoices/vouchers from suppliers or confirmation of receipts to support donations.</i></p> <p><i>The council should secure a formal invoice as evidence from the supplier of the noticeboard for transaction 53</i></p>	<b>Implemented</b>

## INTERNAL AUDIT REPORT

	ISSUE	RECOMMENDATION	FOLLOW UP
7	Hotel accommodation costing £459 has been booked on Expedia for a course, however, only the Expedia receipt is provided and the VAT has been analysed as reclaimable in SCRIBE. Expedia is merely the agent and the hotel provides the services, therefore, the hotel should have been asked to provide the VAT invoice for the supply. Without this invoice, the VAT will not be reclaimable.	<i>When using online agents to book hotels, VAT invoices should always be secured from hotels when checking out.</i>	<b>Implemented</b>
8	We could not locate any service level agreement (SLA) or contract with Williams Stephens for lengthsman grounds maintenance works. It is not clear whether this a self-employment contract or whether this should be paid under an employment contract.	<i>A formal SLA should be established for grounds maintenance services if the service provision is from a business, rather than an individual who should be employed under an employment contract.</i>	<b>Implemented</b>
9	There is evidence that the council has not been paying creditors on a timely basis with the result that bailiffs had attended the premises due to long overdue water charges. In addition, transaction ref 158 incurred a late payment interest charge.	<i>Creditor payments should be made on a timely basis.</i>	<b>Implemented</b>

## INTERNAL AUDIT REPORT

	ISSUE	RECOMMENDATION	FOLLOW UP
<b>AGAR internal control objective C – Adequate Risk Assessment</b>			
10	We could not identify in the minutes or the information provided for internal audit any adopted comprehensive risk assessment.	<i>A comprehensive risk assessment should be established and then reviewed, updated and approved each financial year.</i>	<b>Implemented</b>



## INTERNAL AUDIT REPORT

	ISSUE	RECOMMENDATION	FOLLOW UP
1 1	<p>Data protection risks:</p> <p>We could not identify an annual payment for data protection registration to the ICO in the payments cash book. The council is a data controller and therefore must be registered as such with the ICO. There is no evidence that any action has been taken to ensure compliance with the GDPR, for instance:</p> <ul style="list-style-type: none"> <li>- We could not identify an external and internal privacy notice</li> <li>- No data protection policy was adopted in 2018/19</li> <li>- No evidence that Subject Access Request and Data Breach procedures compliant with the GDPR had been adopted</li> <li>- No evidence data processing/sharing agreements have been established with relevant third parties</li> <li>- No evidence a document retention policy has been adopted</li> </ul>	<p><i>The council need to urgently carry out a GDPR data audit and establish the required policies and procedures to help ensure compliance.</i></p>	<p><b>Implemented</b></p>

## INTERNAL AUDIT REPORT

	ISSUE	RECOMMENDATION	FOLLOW UP
	<b>AGAR internal control objective D – Precept request resulted from adequate budgetary process, regular budgetary control and appropriate levels of reserves held</b>		

## INTERNAL AUDIT REPORT

	ISSUE	RECOMMENDATION	FOLLOW UP
1 2	The budget set for the financial year does not take into account of 'an amount that the council estimates will be appropriate to meet future estimated expenditure' (ie to hold in reserves). This is a requirement of the Local Government Finance Act 1992.	<p><i>The council should ensure when setting the precept that the budget requirement is calculated in accordance with the Local Government Finance Act 1992 by taking into account:</i></p> <ul style="list-style-type: none"> <li>- <i>all expenditure estimated to be incurred in the year</i></li> <li>- <i>an allowance for unforeseen expenditure – this could be linked to a variation in inflation expectations</i></li> <li>- <i>an amount that the council estimates will be appropriate to meet future estimated expenditure (ie to hold in reserves or to replenish general reserves in accordance with a reserves policy)</i></li> <li>- <i>the amount estimated by the council to meet expenditure relating to previous financial years that has not already been provided for (creditors and accruals and other liabilities)</i></li> </ul>	<b>Implemented</b>



## INTERNAL AUDIT REPORT

	ISSUE	RECOMMENDATION	FOLLOW UP
1 3	The level of reserves has increased to £6235 from negative levels at the end of 2017/18, however, the levels are still lower than the sector guidance for local councils, which is between 25% and 100% of the precept or net operating expenditure.	<i>General reserves should be replenished to at least the minimum levels recommended by sector guidance, ie 25% of the precept.</i>	<b>Implemented</b>
1 4	There is no evidence of any budgetary control reporting and monitoring during the financial year. Considering the negative reserves position brought forward we would have expected the council to be extra vigilant, with budgetary control monitoring carried out more regularly than normal due to the critically low levels of funds.	<i>Regular budgetary control reporting needs to be implemented promptly by the council.</i>	<b>Implemented</b>
<b>AGAR internal control objective E – Expected income fully received, correctly priced, recorded and promptly banked and VAT accounted for</b>			

# INTERNAL AUDIT REPORT

	ISSUE	RECOMMENDATION	FOLLOW UP
1 5	<p>VAT issues:</p> <p>No VAT reclaims received during 2018/19 and no evidence a 2018/19 VAT return has been submitted to HMRC.</p> <p><b>VAT income of approximately £89k was reclaimed in 2017/18 but there was no evidence in the book and records presented for internal audit that the council had secured VAT advice as to whether any or all of the VAT was reclaimable. The VAT relates to the hall building and the hall primarily provides VAT exempt hall hire services which means there the partial exemption VAT threshold should be a consideration.</b></p>	<p><i>VAT reclaims should be submitted to HMRC on a timely basis.</i></p> <p><i>The council should request the SLCC specialist VAT adviser to review whether the council was able to reclaim some or all of the VAT associated with the hall building scheme.</i></p>	<p><b>Implemented</b></p>
<p><b>AGAR internal control objective G – Wages and salaries and members allowances paid in accordance with council approvals, and PAYE and NIC requirements properly applied</b></p>			

## INTERNAL AUDIT REPORT

	ISSUE	RECOMMENDATION	FOLLOW UP
1 6	<p>Information was provided to evidence that PAYE and NIC requirements had been properly applied and a payroll agent is used. However, we were informed by the acting clerk that salaries had in some cases not been paid on a timely basis during the financial year. We also identified documentation evidencing there had been late payment of payroll taxes due to HMRC in the year.</p>	<p><i>Salaries should be paid on a timely basis and payroll taxes should be remitted to HMRC within deadlines.</i></p>	<p><b>Implemented</b></p>
<p><b>AGAR internal control objective H – Asset and investment registers complete and accurate and properly maintained</b></p>			
1 7	<p>The value for fixed assets in the AGAR annual return is last year's figure. The fixed asset register provided only has values attached to some items and there is no total. A cast of the actual figures included does not agree to the fixed asset value included in the AGAR annual return</p>	<p><i>The fixed asset register needs to be completed with values recorded against the assets listed, even if that value is £nil, and the correct asset figure included in the AGAR annual return.</i></p>	<p><b>See 2019/20 fixed asset issues</b></p>



## INTERNAL AUDIT REPORT

	ISSUE	RECOMMENDATION	FOLLOW UP
1 8	<p>The asset register is in WORD format and contains limited information to support effective management of the assets and accurate disclosures in the year end accounts:</p> <ul style="list-style-type: none"> <li>• there is no date of acquisition</li> <li>• disposals are not evidenced</li> <li>• custodian of the asset is not stated</li> <li>• the location of the asset is not provided</li> <li>• as the document is in WORD format it cannot be automatically cast as in a spreadsheet,</li> <li>• there has been no review of capital expenditure in 2018/19 to identify any additions (and disposals) for the asset register</li> </ul>	<p><i>The asset register should be compiled in a spreadsheet with the headings as described included</i></p> <p><i>Capital expenditure in 2018/19 should be reviewed to identify any additions. Items disposed of and obsolete items should be removed from the register at carrying value.</i></p>	<p><b>See 2019/20 fixed asset issues</b></p>
<p><b>AGAR internal control objective I – Periodic and year end bank reconciliations were properly carried out</b></p>			

## INTERNAL AUDIT REPORT

	ISSUE	RECOMMENDATION	FOLLOW UP
19	<p>Although a year end bank reconciliation has recently been carried out in the SCRIBE accounting system, no complete and accurate bank reconciliations were carried out during the financial year and reported to council. The year end bank reconciliation balances to the SCRIBE system cash book, however, when we reviewed the SCRIBE transactions we identified a £15.31 unreconciled difference – see issue below.</p>	<p><i>Complete and accurate bank reconciliations should be prepared and presented to council regularly during the financial year.</i></p> <p><i>The £15.31 unreconciled difference (see issue below) should be investigated by council.</i></p>	<b>Implemented</b>
<b>AGAR internal control objective J – Accounting statements were prepared on correct accounting basis, agreed to cash book, and were supported by an adequate audit trail</b>			
20	<p>There is an imbalance in the SCRIBE accounts as the final transaction of the year of £15.31 (transaction number 164) is described as an error adjustment and there is no voucher to support this ‘expenditure’</p>	<p><i>The council should check every transaction recorded in SCRIBE against the bank statements to identify the error(s) that relate to the £15.31 unreconciled difference and make correcting adjustments.</i></p>	<b>Note – the council authorised the write off of the £15.31 imbalance during 2019/20.</b>
<b>AGAR internal control objective M – the council met its responsibilities as sole trustee</b>			

## INTERNAL AUDIT REPORT

	ISSUE	RECOMMENDATION	FOLLOW UP
2 1	<p>The village hall is owned by the council and a village hall committee has been established to manage the hall. The trust deed indicates the council are custodian trustees of the hall but appear to be acting currently as sole trustee as there are no non councilor trustees currently.</p> <p>In 2018/19 there have been no meetings of the trustees of the council and returns to the Charity Commission are overdue. The council manages the income and expenditure and bank account for the charity.</p> <p>The council authorises expenditure by the trust as part of council meetings. In addition, during the financial year the council paid for village hall payroll costs and other costs due to a lack of funds in the village hall account.</p>	<p><i>The council need to ensure it is meeting its responsibilities as a trustee.</i></p>	<p><b>Implemented – the council is now sole trustee of the village hall. All charitable trusts transactions are recorded separately from the council transactions. An exercise has been carried out to bring required returns to the Charity Commission up to date.</b></p>
<b>Other Issues</b>			
2 2	<p>Internal and external issues and recommendations reported previously have not been implemented.</p>	<p><i>All internal and external audit reports should be presented to council and an action plan implemented on a timely basis in response to issues and recommendations raised.</i></p>	<p><b>Implemented</b></p>



## INTERNAL AUDIT REPORT

	ISSUE	RECOMMENDATION	FOLLOW UP
2 3	A committee structure has been established but the acting clerk has been unable to locate all agenda and minutes for all council committee meetings. Record keeping of key council documents is therefore inadequate.	<i>A complete and accurate signed record of all council and committee meetings should be retained.</i>	<b>Implemented</b>

### IMPORTANT GUIDANCE NOTE

#### INTERNAL AUDIT CERTIFICATE in the AGAR

There is a new internal control objective (Objective L) in the 2018/19 internal audit certificate that requires internal audit to conclude on whether the Public Rights Notice during the **previous Summer** was compliant with the Regulations. This is pre-filled for 2018/19 but in order to test this and conclude YES or NO for the 2019/20 internal audit we would need to receive with the 2019/20 books and records:

- A copy of the completed 2018/19 Notice of Public Rights and Publication of the Unaudited Annual Governance and Accountability Review
- A dated photograph showing the first day of the Notice of Public Rights on the noticeboard and/or a dated computer screenshot showing the first date of the Notice of Public Rights on the website for 2018/19

Our approach to this new requirement will be to conclude NO if we have not received the above evidence and explain on the AGAR that we received insufficient evidence to be able to conclude YES; we would also conclude NO if the dates advertised were not compliant with the Regulations.

This will be a new ongoing requirement for internal audit, as well as verifying whether certain smaller councils meet the exemption criteria from an external audit. Therefore, for the 2019/20 internal audits there will be additional time charged at a fixed fee of £9 + VAT per local council to complete the new requirements.



# Annual Governance and Accountability Return 2019/20 Part 3

## To be completed by Local Councils, Internal Drainage Boards and other Smaller Authorities\*:

- where the higher of gross income or gross expenditure exceeded £25,000 but did not exceed £6.5 million; or
- where the higher of gross income or gross expenditure was £25,000 or less but that:
  - are unable to certify themselves as exempt (fee payable); or
  - have requested a limited assurance review (fee payable)

## Guidance notes on completing Part 3 of the Annual Governance and Accountability Return 2019/20

1. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 **must** complete Part 3 of the Annual Governance and Accountability Return at the end of each financial year in accordance with *Proper Practices*.
2. The Annual Governance and Accountability Return is made up of three parts, pages 3 to 6:
  - The Annual Internal Audit Report is completed by the authority's internal auditor.
  - **Sections 1 and 2** are to be completed and approved by the authority.
  - **Section 3** is completed by the external auditor and will be returned to the authority.
3. The authority **must** approve Section 1, Annual Governance Statement, before approving Section 2, Accounting Statements, and both **must** be approved and published **before 1 July 2020**.
4. An authority with either gross income or gross expenditure exceeding £25,000 or an authority with neither income nor expenditure exceeding £25,000, but which is unable to certify itself as exempt, or is requesting a limited assurance review, **must** return to the external auditor by email or post (not both) **no later than 30 June 2020**. Reminder letters will incur a charge of £40 +VAT:
  - the Annual Governance and Accountability Return Sections 1 and 2, together with
  - a bank reconciliation as at 31 March 2020
  - an explanation of any significant year on year variances in the accounting statements
  - notification of the commencement date of the period for the exercise of public rights
  - Annual Internal Audit Report 2019/20

Unless requested, do not send any additional documents to your external auditor. Your external auditor will ask for any additional documents needed.

Once the external auditor has completed the limited assurance review and is able to give an opinion, the Annual Governance and Accountability **Section 1, Section 2 and Section 3 – External Auditor Report and Certificate** will be returned to the authority by email or post.

## Publication Requirements

Under the Accounts and Audit Regulations 2015, authorities must publish the following information on a publicly accessible website:

Before 1 July 2020 authorities **must** publish:

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited;
- **Section 1 - Annual Governance Statement 2019/20**, approved and signed, page 4
- **Section 2 - Accounting Statements 2019/20**, approved and signed, page 5

Not later than 30 September 2020 authorities **must** publish:

- Notice of conclusion of audit
- **Section 3 - External Auditor Report and Certificate**
- **Sections 1 and 2 of AGAR** including any amendments as a result of the limited assurance review.

It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.

The Annual Governance and Accountability Return constitutes the annual return referred to in the Accounts and Audit Regulations 2015. Throughout, the words 'external auditor' have the same meaning as the words 'local auditor' in the Accounts and Audit Regulations 2015.

\*for a complete list of bodies that may be smaller authorities refer to schedule 2 to the Local Audit and Accountability Act 2014.



## Guidance notes on completing Part 3 of the Annual Governance and Accountability Return 2019/20

- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this Annual Governance and Accountability Return. *Proper Practices* are found in the *Practitioners' Guide\** which is updated from time to time and contains everything needed to prepare successfully for the financial year-end and the subsequent work by the external auditor.
- Make sure that the Annual Governance and Accountability Return is complete (no highlighted boxes left empty), and is properly signed and dated. Where amendments are made by the authority to the AGAR after it has been approved by the authority and before it has been reviewed by the external auditor, the Chairman and RFO should initial the amendments and if necessary republish the amended AGAR and recommence the period for the exercise of public rights. If the AGAR contains unapproved or unexplained amendments, it may be returned and additional costs will be incurred.
- The authority **should** receive and note the annual internal audit report if possible before approving the annual governance statement and the accounts.
- Use the checklist provided below to review the Annual Governance and Accountability Return for completeness before returning it to the external auditor by email or post (not both) no later than 30 June 2020.
- Do not send the external auditor any information not specifically requested. However, **you must inform your external auditor about any change of Clerk, Responsible Financial Officer or Chairman, and provide relevant email addresses and telephone numbers.**
- Make sure that the copy of the bank reconciliation to be sent to your external auditor with the Annual Governance and Accountability Return covers all the bank accounts. If the authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree the bank reconciliation to Box 8 on the accounting statements (**Section 2, page 5**). An explanation **must** be provided of any difference between Box 7 and Box 8. More help on bank reconciliation is available in the *Practitioners' Guide\**.
- Explain fully significant variances in the accounting statements on **page 5**. Do not just send a copy of the detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete numerical and narrative analysis to support the full variance.
- If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or variances are not fully explained, additional costs may be incurred.
- Make sure that the accounting statements add up and that the balance carried forward from the previous year (Box 7 of 2019) equals the balance brought forward in the current year (Box 1 of 2020).
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the period for the exercise of public rights. From the commencement date for a single period of 30 consecutive working days, the approved accounts and accounting records can be inspected. Whatever period the RFO sets it **must** include a common inspection period – during which the accounts and accounting records of all smaller authorities must be available for public inspection – of the first ten working days of July.
- The authority **must** publish the information required by Regulation 15 (2), Accounts and Audit Regulations 2015, including the period for the exercise of public rights and the name and address of the external auditor **before 1 July 2020**.

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
All sections	Have all highlighted boxes have been completed?		
	Has all additional information requested, including <b>the dates set for the period for the exercise of public rights</b> , been provided for the external auditor?		
Internal Audit Report	Have all highlighted boxes been completed by the internal auditor and explanations provided?		
Section 1	For any statement to which the response is 'no', has an explanation been published?		
Section 2	Has the authority's approval of the accounting statements been confirmed by the signature of the Chairman of the approval meeting?		
	Has an explanation of significant variations from last year to this year been published?		
	Has the bank reconciliation as at <b>31 March 2020</b> been reconciled to Box 8?		
	Has an explanation of any difference between Box 7 and Box 8 been provided?		
Sections 1 and 2	Trust funds – have all disclosures been made if the authority as a body corporate is a sole managing trustee? <b>NB:</b> do not send trust accounting statements unless requested.		

\**Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices*, can be downloaded from [www.nalc.gov.uk](http://www.nalc.gov.uk) or from [www.ada.org.uk](http://www.ada.org.uk)



# Annual Internal Audit Report 2019/20

## Hale Parish Council

This authority's internal auditor, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls to be in operation **during** the financial year ended 31 March 2020.

The internal audit for 2019/20 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Agreed? Please choose one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	N/A	no petty cash held.	
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic and year-end bank account reconciliations were properly carried out.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. IF the authority certified itself as exempt from a limited assurance review in 2018/19, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2018/19 AGAR tick "not covered")			✓
L. The authority has demonstrated that during summer 2019 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.		✓	
<b>M. (For local councils only)</b>	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.	✓		

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

Name of person who carried out the internal audit

30/7/20

JOH BUSINESS SERVICES LTD

Signature of person who carried out the internal audit

Date

21/8/20

\*If the response is 'no' you must include a note to state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

\*\*Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).



## Section 1 – Annual Governance Statement 2019/20

We acknowledge as the members of:

Hale Parish Council

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2020, that:

	Agreed		
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.			<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.			<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.			<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.			<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.			<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.			<i>arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.</i>
7. We took appropriate action on all matters raised in reports from internal and external audit.			<i>responded to matters brought to its attention by internal and external audit.</i>
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.			<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A
			<i>has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.</i>

\*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

DD/MM/YY

and recorded as minute reference:

MINUTE REFERENCE

Signed by the Chairman and Clerk of the meeting where approval was given:

Chairman

SIGNATURE REQUIRED

Clerk

SIGNATURE REQUIRED

**Other information required by the Transparency Codes (not part of Annual Governance Statement)**

Authority web address

AUTHORITY WEBSITE ADDRESS



## Section 2 – Accounting Statements 2019/20 for

EN Hale Parish Council

	Year ending		Notes and guidance
	31 March 2019 £	31 March 2020 £	
<b>1.</b> Balances brought forward	-418	6,235	<i>Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.</i> <i>Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.</i>
<b>2.</b> (+) Precept or Rates and Levies	43,225	43,225	<i>Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.</i>
<b>3.</b> (+) Total other receipts	26,179	13,328	<i>Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.</i>
<b>4.</b> (-) Staff costs	6,012	23,146	<i>Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.</i>
<b>5.</b> (-) Loan interest/capital repayments	20,116	0	<i>Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).</i>
<b>6.</b> (-) All other payments	36,623	24,725	<i>Total expenditure or payments as recorded in the cash-book less staff costs (line 4) and loan interest/capital repayments (line 5).</i>
<b>7.</b> (=) Balances carried forward	6,235	14,916	<i>Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).</i>
<b>8.</b> Total value of cash and short term investments	6,235	14,916	<i>The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.</i>
<b>9.</b> Total fixed assets plus long term investments and assets	998,275 (RESTATE)	999,855	<i>The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.</i>
<b>10.</b> Total borrowings	0	0	<i>The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).</i>
<b>11.</b> (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	<i>The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.</i>
	✓		<i>N.B. The figures in the accounting statements above do not include any Trust transactions.</i>

I certify that for the year ended 31 March 2020 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

SIGNATURE REQUIRED

Date

DD/MM/YY

I confirm that these Accounting Statements were approved by this authority on this date:

DD/MM/YY

as recorded in minute reference:

MINUTE REFERENCE

Signed by Chairman of the meeting where the Accounting Statements were approved

SIGNATURE REQUIRED



## Section 3 – External Auditor Report and Certificate 2019/20

In respect of

ENTER NAME OF AUTHORITY  
Hale Parish Council

### 1 Respective responsibilities of the body and the auditor

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

- summarises the accounting records for the year ended 31 March 2020; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with guidance issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (see note below). Our work **does not** constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and **does not** provide the same level of assurance that such an audit would do.

### 2 External auditor report 2019/20

(Except for the matters reported below)\* on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met. (\*delete as appropriate).

(continue on a separate sheet if required)

Other matters not affecting our opinion which we draw to the attention of the authority:

(continue on a separate sheet if required)

### 3 External auditor certificate 2019/20

We certify/do not certify\* that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2020.

\*We do not certify completion because:

External Auditor Name

ENTER NAME OF EXTERNAL AUDITOR

External Auditor Signature

SIGNATURE REQUIRED

Date

DD/MM/YY

\*Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews in Auditor Guidance Note AGN/02. The AGN is available from the NAO website ([www.nao.org.uk](http://www.nao.org.uk))

---

**Tonights meeting**

1 message

---

**PAUL TURTON** <paul.turton1@btinternet.com>  
To: Hale Clerk <clerk@haleparishcouncil.gov.uk>

20 July 2020 at 09:00

Good morning Brian

While my computer makes it very hard for me to get on to 'Zoom' could you supply details of how I can try to get on to it for tonights meeting.

If I am unable to get on could you raise the following for me as the points I would like to make to the council please if I was in attendance .

1) The last 'newsletter' from HPC claimed a substantial victory getting 'Peel Holdings' to withdraw plans for a solar farm on land near to Baileys Lane. For them to withdraw so easily should have had alarm bells ringing as they are now talking about expanding on to land surrounding the airport including the land leading to Baileys lane, and basically turning it into a concrete mass. In a recent media report, it seemed strange that Halton council refused to comment and Liverpool council 'Had nobody available to comment' though it is well believed that the Mayor of Liverpool is a supporter of almost anything that Peel wants to do. Can we, the residents of the village, have an update from LJLA group members on what is being done to oppose the future expansion into our village and our borough when there is adequate land available in Liverpool if they want to expand. We need to be showing support to the 'Friends of Oglet shore' in their quest to preserve the wildlife and greenbelt spaces left in the area. So many people have commented on how many more birds we have seen since lockdown and we should wonder if that is because of the reduced pollution from aircraft exhaust fumes. If Peel are allowed to get what they want, how long will it be before they want more and expand into our village completely?

2) With the current situation of COVID19 now starting to relax but no guarantee of another spike in winter or beyond, there will be many people in the village who will lose their jobs and in some cases possibly their homes. Can I ask the council to consider trying to reduce spending as much as possible to 'essential spending only' until we can see what the long term impact on our population is going to be. From the expenditure sheets sent out with the agenda for this meeting over a third is on 'staff salaries' and over £2000 on gardening services. While providing things that make the village look nice is all well and good, a nice village with homes for sale and hungry children is surely not what we want. Should we not be thinking of how we can sustain a living standard for all and look at ways that will save money this year, requiring a smaller precept for next year and reduce the overall council tax which will inevitably have to rise substantially next year to pay for the extra expense from Covid this year.

My thanks in anticipation and if I cant get on, perhaps someone could let me know the outcome of the discussion on these subjects.

Kind regards

Paul Turton



## WHAT SMALLER AUTHORITIES NEED TO DO TO ADVERTISE THE PERIOD DURING WHICH ELECTORS AND INTERESTED PERSONS MAY EXERCISE RIGHTS RELATING TO THE ANNUAL ACCOUNTS

The [Local Audit and Accountability Act 2014](#), the [Accounts and Audit Regulations 2015](#) and the [Accounts and Audit \(Coronavirus\) \(Amendment\) Regulations 2020](#) require that:

1. The accounting records for the financial year to which the audit relates and all books, deeds, contracts, bills, vouchers, receipts and other documents relating to those records must be made available for inspection by any person interested, during a period of 30 working days set by the smaller authority that starts on or before 1 September 2020.
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 i.e. the day following the day on which all of the obligations in paragraph (3) below have been fulfilled.
3. The responsible financial officer for a relevant authority must, on behalf of that authority, publish **(which must include publication on the authority's website)**:

(a) the Accounting Statements (i.e. Section 2 of either Part 2 or 3, whichever is relevant, of the Annual Governance & Accountability Return (AGAR)), accompanied by:

- (i) a declaration, signed by that officer to the effect that the status of the Accounting Statements are unaudited and that the Accounting Statements as published may be subject to change;
- (ii) the Annual Governance Statement (i.e. Section 1 of either Part 2 or Part 3, whichever is relevant, of the AGAR); and

(b) a statement that sets out—

- (i) the period for the exercise of public rights;
- (ii) details of the manner in which notice should be given of an intention to inspect the accounting records and other documents;
- (iii) the name and address of the local auditor;
- (iv) the provisions contained in section 26 (inspection of documents etc.) and section 27 (right to make objections at audit) of the Act, as they have effect in relation to the authority in question;

## HOW DO YOU DO IT?

1. You will meet statutory requirements if you fully and accurately complete the notice of public rights pro forma in this document, and
2. Publish **(including publication on the smaller authority's website)** the following documents, the day before the public rights period commences:

- a. the approved Sections 1 and 2 of either Part 2 or 3, whichever is relevant to your smaller authority, of the AGAR; and
- b. the completed Notice of Public Rights and Publication of Unaudited Annual Governance & Accountability Return. Please note that we have pre-completed it with the following **suggested** dates: Monday 15 June – Friday 24 July 2020. (The latest possible dates that comply with the statutory requirements are Tuesday 1 September – Monday 12 October 2020); and
- c. the notes which accompany the Notice (Local authority accounts: a summary of your rights).



# HALE PARISH COUNCIL

## NOTICE OF PUBLIC RIGHTS AND PUBLICATION OF UNAUDITED ANNUAL GOVERNANCE & ACCOUNTABILITY RETURN

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

Local Audit and Accountability Act 2014 Sections 25, 26 and 27

The Accounts and Audit Regulations 2015 (SI 2015/234)

The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 (SI 2020/404)

### NOTICE

**1. Date of announcement 31st August 2020**

**2. Each year the smaller authority's Annual Governance and Accountability Return (AGAR) needs to be reviewed by an external auditor appointed by Smaller Authorities' Audit Appointments Ltd. The unaudited AGAR has been published with this notice. As it has yet to be reviewed by the appointed auditor, it is subject to change as a result of that review.**

**Any person interested has the right to inspect and make copies of the accounting records for the financial year to which the audit relates and all books, deeds, contracts, bills, vouchers, receipts and other documents relating to those records must be made available for inspection by any person interested. For the year ended 31 March 2020, these documents will be available on reasonable notice by application to:**

The Town Clerk, Hale Parish Council - [clerk@haleparishcouncil.gov.uk](mailto:clerk@haleparishcouncil.gov.uk)  
Hale Village Hall, High Street, Hale Village, Halton, Cheshire L24 4AE

commencing on **Tuesday 1st September 2020**

and ending on **Monday 12th October 2020**

**3. Local government electors and their representatives also have:**

- The opportunity to question the appointed auditor about the accounting records; and
- The right to make an objection which concerns a matter in respect of which the appointed auditor could either make a public interest report or apply to the court for a declaration that an item of account is unlawful. Written notice of an objection must first be given to the auditor and a copy sent to the smaller authority.

The appointed auditor can be contacted at the address in paragraph 4 below for this purpose between the above dates only.

**4. The smaller authority's AGAR is subject to review by the appointed auditor under the provisions of the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015 and the NAO's Code of Audit Practice 2015. The appointed auditor is:**

**PKF Littlejohn LLP (Ref: SBA Team)**  
**15 Westferry Circus**  
**Canary Wharf**  
**London E14 4HD**  
([sba@pkf-littlejohn.com](mailto:sba@pkf-littlejohn.com))

**5. This announcement is made by Brian Hargreaves, Town Clerk & Responsible Financial Officer to Hale Parish Council**

**LOCAL AUTHORITY ACCOUNTS: A SUMMARY OF YOUR RIGHTS**

**Please note that this summary applies to all relevant smaller authorities, including local councils, internal drainage boards and ‘other’ smaller authorities.**

## **The basic position**

The [Local Audit and Accountability Act 2014](#) (the Act) governs the work of auditors appointed to smaller authorities. This summary explains the provisions contained in Sections 26 and 27 of the Act. The Act, the [Accounts and Audit Regulations 2015](#) and the [Accounts and Audit \(Coronavirus\) \(Amendment\) Regulations 2020](#) also cover the duties, responsibilities and rights of smaller authorities, other organisations and the public concerning the accounts being audited.

As a local elector, or an interested person, you have certain legal rights in respect of the accounting records of smaller authorities. As an interested person you can inspect accounting records and related documents. If you are a local government elector for the area to which the accounts relate you can also ask questions about the accounts and object to them. You do not have to pay directly for exercising your rights. However, any resulting costs incurred by the smaller authority form part of its running costs. Therefore, indirectly, local residents pay for the cost of you exercising your rights through their council tax.

## **The right to inspect the accounting records**

Any interested person can inspect the accounting records, which includes but is not limited to local electors. You can inspect the accounting records for the financial year to which the audit relates and all books, deeds, contracts, bills, vouchers, receipts and other documents relating to those records. You can copy all, or part, of these records or documents. Your inspection must be about the accounts, or relate to an item in the accounts. You cannot, for example, inspect or copy documents unrelated to the accounts, or that include personal information (Section 26 (6) – (10) of the Act explains what is meant by personal information). You cannot inspect information which is protected by commercial confidentiality. This is information which would prejudice commercial confidentiality if it was released to the public and there is not, set against this, a very strong reason in the public interest why it should nevertheless be disclosed.

When smaller authorities have finished preparing accounts for the financial year and approved them, they must publish them (including on a website). There must be a 30 working day period, called the ‘period for the exercise of public rights’, during which you can exercise your statutory right to inspect the accounting records. Smaller authorities must tell the public, including advertising this on their website, that the accounting records and related documents are available to inspect. By arrangement you will then have 30 working days to inspect and make copies of the accounting records. You may have to pay a copying charge. **Legislative changes have been made as a result of the restrictions imposed by the Coronavirus for the 2019/20 reporting year which mean that there is no requirement for a common period for public rights. The period for the exercise of public rights must however commence on or before 1 September 2020.** The advertisement must set out the dates of the period for the exercise of public rights, how you can communicate to the smaller authority that you wish to inspect the accounting records and related documents, the name and address of the auditor, and the relevant legislation that governs the inspection of accounts and objections.

## **The right to ask the auditor questions about the accounting records**

**You should first ask your smaller authority** about the accounting records, since they hold all the details. If you are a local elector, your right to ask questions of the external auditor is enshrined in law. However, while the auditor will answer your questions where possible, they are not always obliged to do so. For example, the question might be better answered by another organisation, require investigation beyond the auditor’s remit, or involve disproportionate cost (which is borne by the local taxpayer). Give your smaller authority the opportunity first to explain anything in the accounting records that you are unsure about. If you are not satisfied with their explanation, you can question the external auditor about the accounting records.

The law limits the time available for you formally to ask questions. This must be done in the period for the exercise of public rights, so let the external auditor know your concern as soon as possible. The advertisement or notice that tells you the accounting records are available to inspect will also give the period for the exercise of public rights during which you may ask the auditor questions, which here

means formally asking questions under the Act. You can ask someone to represent you when asking the external auditor questions.

Before you ask the external auditor any questions, inspect the accounting records fully, so you know what they contain. Please remember that you cannot formally ask questions, under the Act, after the end of the period for the exercise of public rights. You may ask your smaller authority other questions about their accounts for any year, at any time. But these are not questions under the Act.

You can ask the external auditor questions about an item in the accounting records for the financial year being audited. However, your right to ask the external auditor questions is limited. The external auditor can only answer 'what' questions, not 'why' questions. The external auditor cannot answer questions about policies, finances, procedures or anything else unless it is directly relevant to an item in the accounting records. Remember that your questions must always be about facts, not opinions. To avoid misunderstanding, we recommend that you always put your questions in writing.

### **The right to make objections at audit**

You have inspected the accounting records and asked your questions of the smaller authority. Now you may wish to object to the accounts on the basis that an item in them is in your view unlawful or there are matters of wider concern arising from the smaller authority's finances. A local government elector can ask the external auditor to apply to the High Court for a declaration that an item of account is unlawful, or to issue a report on matters which are in the public interest. You must tell the external auditor which specific item in the accounts you object to and why you think the item is unlawful, or why you think that a public interest report should be made about it. You must provide the external auditor with the evidence you have to support your objection. Disagreeing with income or spending does not make it unlawful. To object to the accounts you must write to the external auditor stating you want to make an objection, including the information and evidence below and you must send a copy to the smaller authority. The notice must include:

- confirmation that you are an elector in the smaller authority's area;
- why you are objecting to the accounts and the facts on which you rely;
- details of any item in the accounts that you think is unlawful; and
- details of any matter about which you think the external auditor should make a public interest report.

Other than it must be in writing, there is no set format for objecting. You can only ask the external auditor to act within the powers available under the [Local Audit and Accountability Act 2014](#).

### **A final word**

You may not use this 'right to object' to make a personal complaint or claim against your smaller authority. You should take such complaints to your local Citizens' Advice Bureau, local Law Centre or to your solicitor. Smaller authorities, and so local taxpayers, 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, they will only continue with the objection if it is in the public interest to do so. They may also decide not to consider an objection if they think that it is frivolous or vexatious, or if it repeats an objection already considered. If you appeal to the courts against an auditor's decision not to apply to the courts for a declaration that an item of account is unlawful, you will have to pay for the action yourself.

For more detailed guidance on public rights and the special powers of auditors, copies of the publication [Local authority accounts: A guide to your rights](#) are available from the NAO website.

If you wish to contact your authority's appointed external auditor please write to the address in paragraph 4 of the *Notice of Public Rights and Publication of Unaudited Annual Governance & Accountability Return*.



## Response to correspondence submitted to the Town Clerk by Email on 20<sup>th</sup> July 2020

Further to an email submitted by a member of public before last month's Parish Council Meeting. I have made some enquiries and although there is a lack of specific information relating to Hale Village welfare please see my observations below. I have included a copy of Halton BC's current Ward Profile which highlights the percentage of Hale's population receiving Universal Credit and living in the most deprived areas in addition to other local information.

- 1/ The initial point raised about prospective expansion turning the area surrounding LJLA into a "concrete mass" appears to be speculation and no official planning applications have been submitted in this respect. The Long term objectives of LJLA are contained in their Master Plan to 2050 <https://www.liverpoolairport.com/media/2957/liverpool-john-lennon-airport-master-plan-to-2050.pdf> and a comprehensive representation was submitted on behalf of the Parish Council in September last year. This representation made clear the Parish Council's position highlighting objections and observations and was thorough in its analysis and appreciation of the situation.

A copy of The Parish Council's representation can be supplied upon request at:  
[clerk@haleparishcouncil.gov.uk](mailto:clerk@haleparishcouncil.gov.uk)

Although there has not been official backing of the "Friends of Oglet Shore" by Hale Parish Council individual Councillors and the Chairman have taken part in some of the protests staged periodically and this subject might be worthy of an official response in the future. The impact on wildlife and the green corridor will be substantial if the airport ignores the concerns being raised.

***FYI - There is another official demonstration taking place on Saturday 29<sup>th</sup> August 2020 12noon – 2pm at the corner of Dunlop Road and Speke Hall Road.***

- 2/ The second point raised by the member of public related to the potential for certain villagers to experience job loss and possibly the loss of their homes as a result of the Covid-19 pandemic. It was expressed that the Parish Council should consider reducing spending to "essential spending only" until the impact of the pandemic is truly appreciated.

The Parish Council will always be sympathetic towards anybody experiencing hardship of any kind and I would encourage anybody in that position to contact me for advice and support. Halton Borough Council has measures in place to address any issues relating to extreme hardship.

It should be noted that all spending by the Parish Council is approved in line with the Standing Orders and that the precept is set annually taking all projections into account. It is based upon previous experience and accounting and consideration is paid to forecasting alongside the duty of an authority to provide best value. The impact of the current pandemic and the request made by the member of Public will be considered when discussion takes place for the setting of next year's precept.

In addition to this I would also like to point out that The Parish Council have an obligation and a responsibility to ensure that the Hale Parish Council and Hale Village Hall are sufficiently funded having the appropriate levels of staffing and the infrastructure to ensure that the preservation and upkeep of the Village assets is properly maintained.

Brian Hargreaves

Town Clerk