

# Annual Governance and Accountability Return 2022/23 Form 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 Form 3 of the Annual Governance and Accountability Return 2022/23

1. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 **must** complete Form 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** **must** be completed by the authority's internal auditor.
  - **Sections 1 and 2** **must** 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 on the authority website/webpage **before 1 July 2023**.
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 2023**. 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 2023
  - 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 2022/23

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 the authority website/webpage:

Before 1 July 2023 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 2022/23**, approved and signed, page 4
- **Section 2 - Accounting Statements 2022/23**, approved and signed, page 5

Not later than 30 September 2023 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 Form 3 of the Annual Governance and Accountability Return (AGAR) 2022/23

- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this AGAR. *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 AGAR is complete (no highlighted boxes left empty) and is properly signed and dated. Any amendments must be approved by the authority and properly initialled.
- The authority **should** receive and note the Annual Internal Audit Report before approving the Annual Governance Statement and the accounts.
- Use the checklist provided below to review the AGAR for completeness before returning it to the external auditor by email or post (not both) no later than 30 June 2023.
- The Annual Governance Statement (Section 1) must be approved on the same day or before the Accounting Statements (Section 2) and evidenced by the agenda or minute references.
- The Responsible Financial Officer (RFO) must certify the accounts (Section 2) before they are presented to the authority for approval. The authority must in this order; consider, approve and sign the accounts.
- The RFO is required to commence the public rights period as soon as practical after the date of the AGAR approval.
- You must inform your external auditor about any change of Clerk, Responsible Financial Officer or Chairman, and provide relevant authority owned generic email addresses and telephone numbers.**
- Make sure that the copy of the bank reconciliation to be sent to your external auditor with the AGAR 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 bank reconciliation is incomplete or variances not **fully** explained then 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 2022) equals the balance brought forward in the current year (Box 1 of 2023).
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the commencement date for the exercise of public rights of 30 consecutive working days which **must** include the first ten working days of July.
- The authority **must** publish on the authority website/webpage 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 2023**.

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 Responsible Financial Officer signed the accounting statements before presentation to the authority for approval?	✓	
	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 been published where required?	✓	
	Has the bank reconciliation as at <b>31 March 2023</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.		

N/A

\* *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 2022/23

ENTER NAME OF AUTHORITY  
Ardlem Parish Council

ENTER PUBLICLY AVAILABLE WEBSITE/WEBPAGE ADDRESS  
www.ardlempc.co.uk

During the financial year ended 31 March 2023, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2022/23 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	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.			✓
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 bank account reconciliations were properly carried out during the year.		✓	
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 2021/22, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2021/22 AGAR tick "not covered")			✓
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.		✓	
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2022-23 AGAR period, were public rights in relation to the 2021-22 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).	✓		
N. The authority has complied with the publication requirements for 2021/22 AGAR (see AGAR Page 1 Guidance Notes).		✓	
<b>O. (For local councils only)</b> 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).

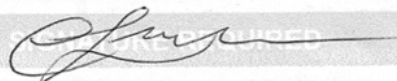
Date(s) internal audit undertaken

DD/MM/YYYY 21/05/2023 DD/MM/YYYY

Name of person who carried out the internal audit

CHARLENE TREDALE AUDITOR

Signature of person who carried out the internal audit



Date

29/05/2023

\*If the response is 'no' please 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).

\* See additional sheets 3 of 5 of 2 pages.

# Section 1 – Annual Governance Statement 2022/23

We acknowledge as the members of:

Audlem 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 2023, 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
			N/A

**\*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:

10-07-23

and recorded as minute reference:

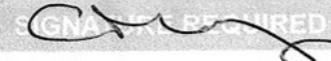
M23/44i

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

Chairman

SIGNATURE REQUIRED  


Clerk

SIGNATURE REQUIRED  


www.audlem.pc.co.uk WEBSITE/PAGE ADDRESS

**Section 2 – Accounting Statements 2022/23 for**

Audlem Parish Council

	Year ending		Notes and guidance
	31 March 2022 £	31 March 2023 £	
1. Balances brought forward	141,545	142,165	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.
2. (+) Precept or Rates and Levies	55,000	56,394	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	1,378	9,892	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	17,730	48,823	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.
5. (-) Loan interest/capital repayments	10,464	10,464	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	27,564	31,137	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	142,165	118,027	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	79,921	180	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.
9. Total fixed assets plus long term investments and assets	263,809	263,809	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.
10. Total borrowings	241,222	230,758	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

For Local Councils Only	Yes	No	N/A	
11a. Disclosure note re Trust funds (including charitable)				The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.
11b. Disclosure note re Trust funds (including charitable)			X	The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2023 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



Date

10/7/2023.

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

10-07-23

as recorded in minute reference:

23/44 REFERENCE

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



### Section 3 – External Auditor’s Report and Certificate 2022/23

In respect of

Audlem Parish Council

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

Our responsibility as auditors to complete a **limited assurance review** is set out by the National Audit Office (NAO). A limited assurance review is **not a full statutory audit**, it does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and hence it **does not** provide the same level of assurance that such an audit would. The UK Government has determined that a lower level of assurance than that provided by a full statutory audit is appropriate for those local public bodies with the lowest levels of spending.

Under a limited assurance review, the auditor is responsible for reviewing Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with NAO Auditor Guidance Note 02 (AGN 02) as issued by the NAO on behalf of the Comptroller and Auditor General. AGN 02 is available from the NAO website – <https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/>.

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 2023; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

#### 2 External auditor’s limited assurance opinion 2022/23

(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 2022/23

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 2023.

\*We do not certify completion because:

External Auditor Name

ENTER NAME OF EXTERNAL AUDITOR

External Auditor Signature

SIGNATURE REQUIRED

Date

DD/MM/YYYY



LAKES AUDITING  
SERVICES

Charlene Iredale (AATQB, CiLCA, IA)

E-mail: [ciredale7@icloud.com](mailto:ciredale7@icloud.com)

Date: 28<sup>th</sup> May 2023

### INTERNAL AUDITOR REPORT

Dear Katrina,  
Audlem Parish Council.

I provide assurance in the form of an opinion whether on the basis of the review, the accounts and other information provided are in accordance with The Joint Panel on Governance and Accountability Practitioners Guide. Based on this, measuring the information that has been provided to me for the 22/23 period, several matters come to my attention that give cause for concern and a large part of relevant legislative and regulatory requirements have not been met.

I have tested all areas of governance and many have not passed for the 22/23 period. These areas are listed below.

- a. The cashbook is partially maintained by a third party CHALC throughout the year. One can only presume that it is up-to-date, arithmetic and balanced and I have been unable to check transactions against the bank account/s. The new Clerk/RFO has picked up minor errors in the cashbook when cross-referencing invoices with the spreadsheet she was provided from CHALC. There is a gap in finances from April – May 2022.
- b. It's noted that potential fraudulent transactions took place, which is why bank accounts are frozen and the matter lies with the police under investigation.
- c. The Council has formally adopted Standing Orders and Financial Regulations but the SO are out of date. FR has recently received a minor amendment.
- d. Terms of reference for the Finance Committee have not been updated since 2020.
- e. VAT has been identified and recorded. A VAT 126 form has been completed to reclaim £9,261.38 to cover the period of 01/04/22 to 31/03/23. Due to potentially fraudulent transactions, one could assume that VAT payments could be missing in periods covering April – May 2022.
- f. The Annual risk management is in place but outdated.
- g. Minutes are recorded and approved at meetings. No meetings were held between January 2022 and May 2022.
- h. Budget reviews are not in place, nor is actual spending measured against it.
- i. The income and expenditure are recorded. Unable to clarify completeness due to a lack of bank statements.
- j. All employees have proper statutory contracts in place with clear terms and conditions and PAYE and NI are properly operated by the Council as an employer. It is

- noted that for a period in 22/23 the Lengthsman did not have PAYE/NI correctly applied.
- k. The asset register is maintained but out of date and the relevant insurance valuations are now up to date. There was a temporary lapse in insurance coverage in 2022.
  - l. There are no bank reconciliations in place due to not having a bank account for 22/23.
  - m. AGAR Notice of conclusion for 21/22 is not available on the website.
  - n. It is mentioned that under the recommendation of the Forensic Auditor, the Council has performed the finances on an income & expenditure basis. There appears to be no balance sheet or records of accruals, or adjustments including debtors and creditors.

#### Recommendations:

- a. The Standing Orders and Financial Regulations need a thorough review to make sure that internal management and financial controls are in place.
- b. Terms of reference for the Finance Committee should be updated and reviewed annually. The Finance Committee should aid the RFO.
- c. As a bare minimum, the 3 above documents need to be reviewed and put into action as a matter of urgency. These documents should be used as a guide to bring systems into place.
- d. The Annual Risk Management should be reviewed and approved on an annual basis.
- e. The budget should be reviewed quarterly to make sure that actual spending stays within forecasted/budgeted limits.
- f. PAYE/NI: The Lengthsman should notify HMRC that he/she wasn't paying the correct PAYE/NI for a period of time within 22/23.
- g. Get a second opinion from Moore UK as to whether Council should be on an income/expenditure basis for the accounting system. It might unnecessarily and further complicate matters although it will more accurately reflect the accounts.
- h. The Council needs to implement a regular physical review of assets and update the asset register accordingly. This should be cross-referenced with insurance coverage.
- i. Update the website to include all relevant documentation as set out in The Transparency Code for Smaller Authorities.

#### A note to the Council:

You, the Council, find yourself in an unfortunate circumstance. After studying the Minutes, it is clear that you are putting measures in place to get the messy waters a bit clearer whilst re-building essential community trust.

You are lucky to have found a Clerk/RFO willing to take on this challenge and I'm sure that I'll see a major turnaround in Governance if I'm appointed at the next internal audit. Please keep on providing assistance to your new Clerk/RFO in getting new systems in place and reviewing policies.

Good luck to all involved.

Yours Faithfully,  
Charlene Iredale







LAKES AUDITING  
SERVICES

Charlene Iredale (AATQB, CiLCA, IA)

E-mail: [ciredale7@icloud.com](mailto:ciredale7@icloud.com)

Date: 29<sup>th</sup> May 2023

### SUPPORTING INFORMATION AGAR 22.23 INTERNAL AUDITOR

Additional Information for AGAR Annual Internal Audit Report 2022/23 for Audlem Parish Council. [www.audlempc.co.uk](http://www.audlempc.co.uk).

#### INTERNAL CONTROL OBJECTIVES

A	Appropriate Accounting Records	The accounting system in use is not adequate and there are gaps in the system due to potentially fraudulent transactions between 03/22 and 05/22. Therefore, one should assume that accounting system is inaccurate in parts, not up to date or well maintained. No bank statements available to cross reference to invoices.
B	Complied with financial regulations	The Financial Regulations were not updated in the period that this AGAR covers. They date back to 2020. The Finance Committee Terms of Reference have not been updated in many years. The potentially fraudulent activities highlight major issues in internal controls.
C	Risk Assessment and achieving objectives	There is a major lack in risk assessing the Council finances to have come to the situation that the Council are in. There has been a lapse in insurance cover.
D	Precept & Budget Monitoring	The Council has not been able to use the first instalment of the budget due to potentially fraudulent activities and the freezing of the bank account. This has had a major impact on how the Council had to fund itself and a negative impact on the budget and precept payer. Not clear if specific funds have been earmarked as the available budget is not very detailed. Regular budget reviews should take place which should include checks on the adequacy of the general reserve levels and earmarked funds.
E	Income received and properly monitored	Not all of the precepts can be accounted for in the 22/23 period due to potentially fraudulent transactions. A VAT 126 form has been sent to HMRC recently and the VAT has accounted for most transactions in 22/23. One can assume that not all transactions have been accounted for due to issues.

		Due to ongoing investigations, it is unclear if Council has robust procedures in place to collect outstanding debt. This should be put into place pending the outcome of investigations.
G	Employee payments incl. PAYE/NI	Some employees were not adequately managed in respect of PAYE/NI deductions on salary due to issues within the 22/23 period. This has now been rectified. It's unclear if staff were on proper contracts for the duration of the 22/23 period, but this now has been rectified.
H	Asset and Investment properly maintained	The asset register is in need of updating as last update was 2020 and I suspect much water has gone under the bridge. Additions and disposals need to be accurately recorded. It's unclear if the Council has in place a regular review system of assets and if insurance cover is adequate.
I	Bank Reconciliations	The council has been unable to perform bank reconciliations due to frozen bank account. Payments have been via a third party. Therefore, bank reconciliations have not been reviewed independently by members, nor has it been signed and dated as good practice would demonstrate.
J	Accounting system	I'm told by the Clerk/RFO that the accounting system based on income and expenditure, however there are no provision of bank reconciliations, bank statements, balance sheet, accruals, adjustments, creditors or debtors.
L	Website	The website doesn't publish all required information as set out in the Transparency Code for Smaller Authorities.
N	Publication requirements for 21/22 AGAR	The Council omitted to publish the Notice of Conclusion for the 2021/22 AGAR.

I have written the Council a supporting document in which I made recommendations for action and suspect that there will be a major positive improvement in the coming months thanks to the new Clerk/RFO in place.

Yours Faithfully,  
Charlene Iredale




## AUDLEM PARISH COUNCIL

### Section 1 – Annual Governance Statement 2022/23

Between January 2022 until May 2022 Audlem Parish Council did not have a Parish Clerk and no Council meetings were called until May 2022, when a new Council was formed.

The new Parish Council immediately undertook investigations into the financial accounting procedures followed between January 2022 and May 2022. The anomalies found were reported to the Police as soon as they were identified. There is an ongoing Police investigation into the alleged fraud.

The Council are addressing/reviewing all policies and procedures in place. Due to all bank accounts being frozen, the Council worked alongside Cheshire East (CE) and ChALC (Cheshire Association of Local Councils) to enable the Council to continue to operate. CE supported the Council by allocating the 2<sup>nd</sup> Precept payment immediately and arrange a loan against a future Precept payment to ChALC in order for them (ChALC) to settle all invoices and receive any income on behalf of Audlem Parish Council. The Council approved an increase in the budget for 2023/2024 to cover the repayment of the loan back to ChALC and to re-establish statutory reserves. Thus, resulting in a higher Precept for one year. From July 2023 the Council has opened new banking facilities with a mandate as per their Financial Regulations.

A new Finance Committee has been established with clarified Terms of Reference. They will lead Council to ensure Financial Regulations and internal control mechanisms are closely adhered to.

A locum Clerk was contracted to work with the Council between June 2022 and May 2023, working alongside a new Clerk who came into post in February 2023.

A new Council was elected in 2023. This Council continues, where the previous Council started, to review all policies, provide training where necessary and strives to be transparent with all stakeholders.

**Approved at Audlem Parish Council Meeting 10<sup>th</sup> July 2023:**

Signed (Chair).....Cllr. Tim Lawton – **in the absence of the Chair, the Vice Chair signed the declaration.**

Signed (Clerk) .....Katrina Chalk

