TOPLIS ASSOCIATES LTD.

STREETHAY LODGE
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13 May, 2020

The Chairman
Edingale Parish Council
c/o Mrs M A Jones
Clerk
50 Cornwall Avenue
TAMWORTH
Staffordshire
B78 3YB

Dear Councilor

Conclusion of Internal Audit of your Parish Council
For the year ended 31st March 2020

Following the completion of my work for the above year we are writing to inform the Council that having carried out the year-end review I have been able to sign the Annual Governance and Accountability Return Part 3 ("AGAR") without any qualification.

The independent internal examination of the Councils governance, financial affairs and certification of the 2019-20 AGAR to the External Auditor was carried out in accordance with the standards laid out in the Accounts and Audit Regulations, 2015 (as amended by the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020) and embodied in the Joint Panel on Accountability and Governance Practitioners Guide 2020.

In summary, we covered the following areas in our examination:

- Proper Bookkeeping
- Financial Regulations, Standing Orders and Payment Controls
- Risk Management and Insurance arrangements
- Budgetary Controls
- Income Controls
- Payroll Controls
- Asset Control
- Bank Accounts and Reconciliation
- Year End Procedures.

This year we have not yet carried out a review of your web site to evaluate its conformance to the Local Government Transparency Code 2015 which is to be viewed as a minimum standard. As soon as this has been completed we will forward the schedule to your Clerk for any relevant action.

We carried out two reviews during the fiscal year and were accorded with full co-operation by your Clerk. Any issues which we raised with the Clerk during the conduct of our work have either been satisfactorily rectified or are noted below.

A copy of our Annual Internal Audit certification (page 3 of the AGAR) for 2019-20 is attached.

We would wish to draw your attention to the "Publication Requirements" on page 1 of the AGAR

We would also wish to draw your council's attention to the following matters:

1. We note that your general reserves cover (after the exclusion of properly voted earmarked capital funds of £68528) is 0.4 9 years. We consider this to be a comfortable level of general reserves balance at the yearend;
2. As you made a Part 2 AGAR return in 2018/19 we have verified that you met the exemption criteria and correctly declared yourselves exempt. We have completed Internal Control Objective K accordingly. It is essential that you continue to leave the 2018/19 AGAR and all its associated documents on the web site in case the External Auditor also wishes to verify our finding (see note re Regulation 13 below).

In respect of the new Council year we make the following additional observations and recommendations for your consideration:

1. We recommend that during the fiscal year your council should review the Risk Assessment to ensure that it still reflects the current environment. Your council should then minute its ratification;
2. During the fiscal year your council should review your Standing Orders and Financial Regulations to ensure that they still reflect the current environment. Your council should then minute that ratification;
3. Copies of both your current Standing Orders, Finance Regulations and Risk Assessment should be displayed on your councils web site and must show the latest date of revision and ratification;
4. You are reminded that when the council discusses, amends or ratifies significant documents copies should be made available on your web site for members of the public to view. These documents should be either appendices to published minutes and agenda papers or as separate

documents on the web site (preferably with a hypertext link to facilitate ease of searching).

It is your Council's responsibility to note these comments and to consider what action should be taken.

Can we take this opportunity to remind you that when the AGAR comes back from the External Auditor you do have a duty to display the accompanying notice of Completion of Audit on each of your usual notice boards and on your council's website.

The complete AGAR and any auditor's comments or qualifications should also be displayed on your web site to allow electors to see the complete card and read the External Auditors comments if they wish to do so.

In accordance with Regulation 13 (of the Audit and Accounts Regulations), after the conclusion of the period for the exercise of public rights, but no later than 30 September (or as revised for COVID-19 extensions), the authority must publish (including on its website) the annual governance statements, statement of accounts, and the external auditor's certificate and report – Sections 1, 2 and 3 of the Annual Governance and Accountability Return. Authorities must keep copies of these documents for purchase by a person at a reasonable sum and ensure that they remain available for public access for 5 years

Please do remember to retain a copy of the notice on file as proof that you have followed the requirements of the Local Government Act. You should also minute the External Auditors approval of the AGAR and any qualification or comments made and take action where necessary.

You may find the advice given by the Chairman of the Smaller Authorities Audit Appointments body neatly summarises the changed dates agreed with the MHCLG. I have enclosed a copy for the information of you and the Clerk.

I shall make my next visit in October/November but please do not hesitate to contact me should you require advice in the meantime.

Yours sincerely,

Alan Varlis

Annual Internal Audit Report 2019/20

EDINGALE 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.	NO PETTY CASH KEPT		✓
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")*	✓	PT 2 IN 2018/19	
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.	✓		

	Yes	No	Not applicable
M. **(For local councils only)** 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

14/10/2019 12/05/2020

Name of person who carried out the internal audit

Alan Toplis - Toplis Associates Ltd

Signature of person who carried out the internal audit

Alan Toplis

Date 13/05/2020

*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).

Chairman's Communications No 4 2020

Following representations made to the Ministry of Housing, Communities and Local Government (MHCLG) by SAAA and the sector organisations in respect of the statutory accounts and audit approval and publication deadlines for 2019-20 and the ability of authorities to hold meetings in the current coronavirus environment, the government has now made amendments to the existing audit legislation which extends the statutory deadlines for the approval and publication of the accounts and Annual Governance and Accountability Return (AGAR).

Separate legislative amendments have also been made to permit authority meetings to be held remotely via the use of technology.

The legislation and the provisions are set out below, and this information will be circulated by the appointed external auditors as an addendum to the AGAR forms and instructions.

The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020

Owing to the increasing impact of COVID19 MHCLG has made amended Regulations which **extend the statutory audit deadlines for 2019-20** only for all Category 2 smaller authorities (town and parish councils, parish meetings, internal drainage boards and other authorities).

- The requirement for the public inspection period to include the first 10 working days of July **has been removed**
- Instead, smaller authorities must commence the public inspection period **on or before 1 September 2020.** Authorities are urged to commence this period as soon as possible
- The AGAR must be approved and published by **31 August 2020 at the latest** or may be approved earlier, wherever possible.

This means that the period for the exercise of public rights **can now be held at any time after the approval of the accounts and AGAR as long as it is commenced on 1 September at the latest.**

Authorities should publish the dates of their public inspection period. If this is significantly earlier or later than in previous years, they should inform the public through their websites (where available) of the reasons why they are departing from normal practice for 2020.

- The publication date for final, audited, accounts will move from **30 September to 30 November 2020** for all local authorities.

This is the date by which the Part 3 AGAR Sections 1, 2 and 3 including the completed External Auditor Report and Certificate must be published.

This does not apply to an authority that has certified itself as exempt and submitted a Certificate of Exemption to the external auditor. These authorities must publish their Certificate of Exemption by **31 August 2020**.

Smaller Authorities' Audit Appointments

The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020

In relation to the meetings needed to approve the accounts and AGAR, MHCLG has made separate Regulations to enable meetings to be held remotely, and to hold and alter the frequency and occurrence of meetings without the need for further notice.

The provisions for remote meetings apply to all authorities **EXCEPT Parish Meetings** who must hold a public meeting and approve the AGAR before 31 August, although clearly Parish Meetings are not able to hold a public meeting at the current time.

Internal Drainage Boards are also not included in the remote meetings legislation, however separate changes to standing orders to allow remote meetings, have been agreed with Defra by the Association of Drainage Authorities.

Given these unprecedented times, authorities are urged to hold remote meetings where possible, to commence the public inspection period at the earliest opportunity and to submit the appropriate part of the AGAR (Part 1, Part 2 or Part 3) to their appointed external auditor as soon as possible.