

Audit Explainer for Annual Governance & Accountability Return (AGAR) 2021-22

1.0 Background

The Transparency Code for Smaller Authorities was issued by the Department for Housing, Communities and Local Government in December 2014. It sets out ways in which town and parish councils can present more information to its residents to help them understand how their council is working and increase its democratic accountability. The code comes from the Local Audit and Accountability Act 2014.

2.0 What this means

Every year, the parish council goes through a process of having its accountancy records and working methods independently audited. This is a two part process. Firstly, the council appoints an internal auditor (paid for by the council but acting independently) who will examine its bookkeeping and governance (the council's own rules and regulations). If this is satisfactory, councillors will be asked to approve the report at its public meeting in May. Once signed off, the second part of the audit takes place. The report is sent to an external auditor who will check through the summary of accounts, and note any issues that the internal auditor may have highlighted. During this period, any resident of Menheniot has the right to make their own examination of the records: this right is advertised on the parish council's website, social media and public noticeboard. If the second audit is satisfactory, then an External Auditor Certificate is issued. If there are any causes for concern identified by the external auditor, they will be noted on the certificate, and the council will be expected to take remedial action.

There are seven items that the council is obliged to make available to you which are described below. Although the time within which you have a legal right to examine the council's accounts is limited by law, you can ask questions about the way that money is spent at any time. Contact the Clerk's Office by email with any questions you might have.

Item 1 All Expenditure

You can view our cash book which shows what payments we have made throughout the year. Expenses are divided into 10 categories. We do this so that we can keep track of what our expenses are, and how we are performing against the budget we have set. Your councillors receive a regular summary of this information. The regulations state that we should publish all expenses that are above £100. However, in order to be completely transparent, this parish council publishes every item, and has done since 2016.

Item 2 End of Year Accounts

We prepare a simple summary of our accounts at the end of the tax year that is submitted to the external auditor for checking. This shows our income in from the precept you pay (the local council tax); other income (for example, from grants or fees we charge); staff costs (the council employs two people), and a total figure for all other expenses. You can see the detail of this in the 'All Expenditure' sheet. These accounts also show what our cash

holdings are, and the value of other fixed assets we own. These figures may appear high, but the council needs to keep a level of cash in reserve in order to maintain their services and pay their bills as they are presented. Cornwall Council is making proposals to pass down (devolve) some of its services to the parish but without additional funding. For this reason, it needs to be ready to use some of its own reserves to pay for them.

Item 3 Annual Governance Statement

The council manages itself according to a list of procedures and processes to ensure that what it does is legal, ethical and proportionate. These controls are set down by government, and councillors reviewed all their governance statements throughout 2017/18 and will revisit them as the need arises.

Item 4 Internal Audit Report

The council employs an independent auditor to examine its governance statements and procedures each year as part of the Annual Return. You can see what the auditor was checking for and their sign-off in this document.

Item 5 Councillors & Responsibilities

Your councillors are elected every four years by ballot of eligible residents in the parish. Every year, at its annual meeting, the councillors will elect a chair, vice-chair and volunteers to take responsibility for specific areas of council work. This list shows who has taken responsibility for what. If you need to contact a councillor personally, you can write to them via the parish clerk. Contact details are attached to this note.

Item 6 Asset Register

The council owns land in the parish at the recreation ground at East Road; the village green in Menheniot centre; the amenity area at Merrymeet; the bus shelter in Menheniot; public toilets on East Road. The council has a responsibility to insure, maintain and repair these assets.

Item 7 Minutes, agendas of formal meetings

The parish council meets on the third Thursday of every month at The Old School in Menheniot. You can see a full list of the dates on this website. The agenda for monthly council meetings is published at least four days before the meeting takes place, and the Clerk aims to post the minutes of its meetings within 10 working days of the meeting itself. You can always find this information on the website or on the public noticeboards in Menheniot, Merrymeet, Pengover Green, Lower Clicker, Dodycross and Island Shop.

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