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STATEMENT OF CONCLUSION OF EXTERNAL AUDIT 2022/23

Fairlight Parish Council has discussed the External Auditors report and also the External Auditors decisions/findings letter to the Objector following objections raised regarding the 2022/23 Annual Governance and Accountability Return (AGAR).

The original objection letter extended to six pages and raised eight objections. The External Auditor considered these and rejected five of them immediately. A further objection was also dismissed by the External Auditor after further inspection of the 2022/23 accounts. This objection concerned the governance and accounting of the War Memorial donations.

The remaining two objections

Objection 1: "The management of funds and investments in NS&I and Natwest accounts"

Councillors accepted that the External Auditor partly upheld this objection and that during 2022/23 the monies held with Natwest exceeded the FSCS limit of £85,000. Prior to this objection being made the Parish Council was already researching alternative banking arrangements in order to mitigate this.

The Parish Council currently holds funds with the Natwest and Unity Trust banks in both current and investment accounts. However, having received the Community Infrastructure Levy funds in April 2024 the Parish Council are now exploring opening an account with a third bank in order to remain below the appropriate limit throughout the year.

The External Auditor noted that the monthly bank reconciliations should be signed by a Councillor other than the Chair. The Parish Council has now put an additional procedure in place to ensure the segregation of duties in respect of these reconciliations.

Objection 2: "The expenditure during the year on staff costs compared to the prior year and the Council's failure to carry out a benchmarking exercise in respect of this cost."

The External Auditor noted that "matters in respect of employee performance and reward are policy decisions and therefore outside our remit." The Parish Council accepts that although Councillors carry out benchmarking of pay and conditions throughout the year these had not been recorded. Future actions will be noted on Parish Council minutes. Resolutions in relation to staff pay and conditions will continue to be recorded as confidential items.

The External Auditor recommended the fact that employee timesheets and pay slips are compared each month should be documented. The Parish Council has now put a process in place to ensure this is done by a Councillor each month.

Conclusion

The additional External Auditors fees of £1757.25 in respect of work carried out to investigate these objections has been paid out of Parish Council funds.

The Parish Council feels that having received the final External Auditors report and certificate for the year 2022/23 and addressed the points raised, this matter is now closed.

The External Auditors report and other financial documents can be found on the Parish Council website