

Mr G Smith
Tow Law Town Council
Community Centre
Ironworks Road
Tow Law
County Durham
DL13 4AW

Direct line: +44 (0)191 383 6348

Email: local.councils@mazars.co.uk

Date: 28 September 2022

Dear Mr Smith

Completion of the audit for the year ended 31 March 2022

We have completed our audit for the year ended 31 March 2022 and I have pleasure in enclosing the certified Annual Governance and Accountability Return. The External Auditor's Certificate and Report is given in Section 3.

If there are any significant matters arising from the audit, they are summarised in the External Auditor's certificate in Section 3. If we have identified minor scope for improvement we have recorded this on page 2 of this letter. The Council must consider these matters and decide what action is required. In most cases this will be self-evident. In some instances we have referred to further guidance available, in particular, in the publication "*Governance and Accountability for Local Councils – A Practitioners' Guide (England) 2021*". This can be obtained via your NALC or SLCC branch, or downloaded free of charge.

Action you are required to take

The Accounts and Audit (England) Regulations 2015 set out what you must do at the conclusion of the audit. In summary, you are required to:

Publish (which must include publication on the authority's website) a statement:

- that the audit has been concluded and that the statement of accounts has been published;
- of the rights of inspection conferred on local government electors by section 25 of the Local Audit and Accountability Act 2014; and
- the address at which, and the hours during which, those rights may be exercised.
- Keep copies of the Annual Governance and Accountability Return for purchase by any person on payment of a reasonable sum.
- Ensure that the Annual Governance and Accountability Return remains available for public access for a period of not less than five years beginning with the date on which the Annual Governance and Accountability Return was first published.

The Accounts and Audit (England) Regulations 2015 do not specify the period the Completion Notice needs to be on the council's website but this period must be reasonable.

Minor scope for improvement in 2022/23

The Council has left Box 11 in Section 2 of the Annual Governance and Accountability Return (AGAR) blank. Although the answer that the Council are not sole trustees for any trust funds could be inferred from other answers on the AGAR the Council should ensure all boxes are filled in, marking nil or not applicable where appropriate.

The internal control objective (F), 'petty cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for', was ticked 'yes' by the internal auditor when no petty cash was held by the Council. The box should have been ticked 'not covered' or N/A and an explanation provided if no petty cash held. In future, the Council should ensure the annual return is accurate and complete.

The internal control objective (K), 'if the Authority certified itself as exempt from a limited assurance review in 2020/21, it met the exemption criteria and correctly declared itself exempt', was ticked 'yes' by the internal auditor when the Council was not exempt in 2020/21. The box should have been ticked 'not covered'. In future, the Council should ensure the annual return is accurate and complete.

The bank reconciliation was difficult to follow because it did not explicitly state the cash book figures. In future the Council should use the standard proforma provided in our guidance or in the Practitioner's Guide when preparing the bank reconciliation.

Accessibility Regulations

We are aware that the Accounts and Audit Regulations requirement for a physical 'wet ink' signature on the original AGAR, does not allow parish council's to fully comply with the Accessibility Regulations. The National Audit Office are aware that the two pieces of legislation are not compatible, therefore smaller authorities are advised to make it clear on their website that the document is a scan and will not be fully compliant with the Accessibility Regulations.

Audit fee

Our fee note for the audit, which is in accordance with the audit fee scales set by SAAA, and available at <http://www.localaudits.co.uk/fees.html> will follow.

We would be grateful if you could arrange for this to be paid at the earliest opportunity.

Yours sincerely



Cameron Waddell

Partner

For and on behalf of Mazars LLP