Smaller authority name: ________Alsager Town Council__________________

NOTICE OF PUBLIC RIGHTS AND PUBLICATION OF UNAUDITED ANNUAL GOVERNANCE & ACCOUNTABILITY RETURN

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

Local Audit and Accountability Act 2014 Sections 26 and 27
The Accounts and Audit Regulations 2015 (SI 2015/234)

NOTICE	NOTES
1. Date of announcement Wednesday 26 May 2021__________________(a)	(a) Insert date of placing of the notice which must be not less than 1 day before the date in (c) below
2. Each year the smaller authority's Annual Governance and Accountability Return (AGAR) needs to be reviewed by an external auditor appointed by Smaller Authorities' Audit Appointments Ltd. The unaudited AGAR has been published with this notice. As it has yet to be reviewed by the appointed auditor, it is subject to change as a result of that review. **Any person interested has the right to inspect and make copies of the accounting records for the financial year to which the audit relates and all books, deeds, contracts, bills, vouchers, receipts and other documents relating to those records must be made available for inspection by any person interested. For the year ended 31 March 2021, these documents will be available on reasonable notice by application to:**	
(b) __Joanne Melia, Finance Manager__________________ 3 Lawton Road, Alsager, ST7 2AE__________________ 01270 ~~8764440~~, financemanager@alsagertowncouncil.gov.uk____ 876440	(b) Insert name, position and address/telephone number/ email address, as appropriate, of the Clerk or other person to which any person may apply to inspect the accounts
commencing on (c) __**Monday 14 June 2021** __________________	(c) Insert date, which must be at least 1 day after the date of announcement in (a) above and at least 30 working days before the date appointed in (d) below
and ending on (d) ___**Friday 23 July 2021** __________________	(d) The inspection period between (c) and (d) must be 30 working days inclusive and must include the first 10 working days of July.
3. Local government electors and their representatives also have: • The opportunity to question the appointed auditor about the accounting records; and • The right to make an objection which concerns a matter in respect of which the appointed auditor could either make a public interest report or apply to the court for a declaration that an item of account is unlawful. Written notice of an objection must first be given to the auditor and a copy sent to the smaller authority. The appointed auditor can be contacted at the address in paragraph 4 below for this purpose between the above dates only.	
4. The smaller authority's AGAR is subject to review by the appointed auditor under the provisions of the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015 and the NAO's Code of Audit Practice 2015. The appointed auditor is: **PKF Littlejohn LLP (Ref: SBA Team)** **15 Westferry Circus** **Canary Wharf** **London E14 4HD** (sba@pkf-l.com)	
5. This announcement is made by (e) NICOLA CLARKE____________ Nicola Clarke	(e) Insert name and position of person placing the notice – this person must be the responsible financial officer for the smaller authority

5. This announcement is made by (e) ___________________________	(e) Insert name and position of person placing the notice – this person must be the responsible financial officer for the smaller authority

LOCAL AUTHORITY ACCOUNTS: A SUMMARY OF YOUR RIGHTS

Please note that this summary applies to all relevant smaller authorities, including local councils, internal drainage boards and 'other' smaller authorities.

The basic position

The Local Audit and Accountability Act 2014 (the Act) governs the work of auditors appointed to smaller authorities. This summary explains the provisions contained in Sections 26 and 27 of the Act. The Act and the Accounts and Audit Regulations 2015 also cover the duties, responsibilities and rights of smaller authorities, other organisations and the public concerning the accounts being audited.

As a local elector, or an interested person, you have certain legal rights in respect of the accounting records of smaller authorities. As an interested person you can inspect accounting records and related documents. If you are a local government elector for the area to which the accounts relate you can also ask questions about the accounts and object to them. You do not have to pay directly for exercising your rights. However, any resulting costs incurred by the smaller authority form part of its running costs. Therefore, indirectly, local residents pay for the cost of you exercising your rights through their council tax.

The right to inspect the accounting records

Any interested person can inspect the accounting records, which includes but is not limited to local electors. You can inspect the accounting records for the financial year to which the audit relates and all books, deeds, contracts, bills, vouchers, receipts and other documents relating to those records. You can copy all, or part, of these records or documents. Your inspection must be about the accounts, or relate to an item in the accounts. You cannot, for example, inspect or copy documents unrelated to the accounts, or that include personal information (Section 26 (6) – (10) of the Act explains what is meant by personal information). You cannot inspect information which is protected by commercial confidentiality. This is information which would prejudice commercial confidentiality if it was released to the public and there is not, set against this, a very strong reason in the public interest why it should nevertheless be disclosed.

When smaller authorities have finished preparing accounts for the financial year and approved them, they must publish them (including on a website). There must be a 30 working day period, called the 'period for the exercise of public rights', during which you can exercise your statutory right to inspect the accounting records. Smaller authorities must tell the public, including advertising this on their website, that the accounting records and related documents are available to inspect. By arrangement you will then have 30 working days to inspect and make copies of the accounting records. You may have to pay a copying charge. The 30 working day period must include a common period of inspection during which all smaller authorities' accounting records are available to inspect. This will be 1-14 July 2021 for 2020/21 accounts. The advertisement must set out the dates of the period for the exercise of public rights, how you can communicate to the smaller authority that you wish to inspect the accounting records and related documents, the name and address of the auditor, and the relevant legislation that governs the inspection of accounts and objections.

The right to ask the auditor questions about the accounting records

You should first ask your smaller authority about the accounting records, since they hold all the details. If you are a local elector, your right to ask questions of the external auditor is enshrined in law. However, while the auditor will answer your questions where possible, they are not always obliged to do so. For example, the question might be better answered by another organisation, require investigation beyond the auditor's remit, or involve disproportionate cost (which is borne by the local taxpayer). Give your smaller authority the opportunity first to explain anything in the accounting records that you are unsure about. If you are not satisfied with their explanation, you can question the external auditor about the accounting records.

The law limits the time available for you formally to ask questions. This must be done in the period for the exercise of public rights, so let the external auditor know your concern as soon as possible. The advertisement or notice that tells you the accounting records are available to inspect will also give the period for the exercise of public rights during which you may ask the auditor questions, which here means formally asking questions under the Act. You can ask someone to represent you when asking the external auditor questions.

Before you ask the external auditor any questions, inspect the accounting records fully, so you know what they contain. Please remember that you cannot formally ask questions, under the Act, after the end of the period for the exercise of public rights. You may ask your smaller authority other questions about their accounts for any year, at any time. But these are not questions under the Act.

You can ask the external auditor questions about an item in the accounting records for the financial year being audited. However, your right to ask the external auditor questions is limited. The external auditor can only answer 'what' questions, not 'why' questions. The external auditor cannot answer questions about policies, finances, procedures or anything else unless it is directly relevant to an item in the accounting records. Remember that your questions must always be about facts, not opinions. To avoid misunderstanding, we recommend that you always put your questions in writing.

The right to make objections at audit

You have inspected the accounting records and asked your questions of the smaller authority. Now you may wish to object to the accounts on the basis that an item in them is in your view unlawful or there are matters of wider concern arising from the smaller authority's finances. A local government elector can ask the external auditor to apply to the High Court for a declaration that an item of account is unlawful, or to issue a report on matters which are in the public interest. You must tell the external auditor which specific item in the accounts you object to and why you think the item is unlawful, or why you think that a public interest report should be made about it. You must provide the external auditor with the evidence you have to support your objection. Disagreeing with income or spending does not make it unlawful. To object to the accounts you must write to the external auditor stating you want to make an objection, including the information and evidence below and you must send a copy to the smaller authority. The notice must include:

- confirmation that you are an elector in the smaller authority's area;
- why you are objecting to the accounts and the facts on which you rely;
- details of any item in the accounts that you think is unlawful; and
- details of any matter about which you think the external auditor should make a public interest report.

Other than it must be in writing, there is no set format for objecting. You can only ask the external auditor to act within the powers available under the Local Audit and Accountability Act 2014.

A final word

You may not use this 'right to object' to make a personal complaint or claim against your smaller authority. You should take such complaints to your local Citizens' Advice Bureau, local Law Centre or to your solicitor. Smaller authorities, and so local taxpayers, meet the costs of dealing with questions and objections. In deciding whether to take your objection forward, one of a series of factors the auditor must take into account is the cost that will be involved, they will only continue with the objection if it is in the public interest to do so. They may also decide not to consider an objection if they think that it is frivolous or vexatious, or if it repeats an objection already considered. If you appeal to the courts against an auditor's decision not to apply to the courts for a declaration that an item of account is unlawful, you will have to pay for the action yourself.

For more detailed guidance on public rights and the special powers of auditors, copies of the	If you wish to contact your authority's appointed external auditor please write to the address in

Section 1 – Annual Governance Statement 2020/21

We acknowledge as the members of:

Alsager Town 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 2021, that:

	Agreed			'Yes' means that this authority:
	Yes	No*		
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓			*prepared its accounting statements in accordance with the Accounts and Audit Regulations.*
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	EXCEPT FOR ✓			*made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.*
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.	✓			*has only done what it has the legal power to do and has complied with Proper Practices in doing so.*
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.	✓			*during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.*
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.	EXCEPT FOR ✓			*considered and documented the financial and other risks it faces and dealt with them properly.*
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓			*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.*
7. We took appropriate action on all matters raised in reports from internal and external audit.	EXCEPT ✓ FOR			*responded to matters brought to its attention by internal and external audit.*
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.	✓			*disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.*
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	*has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.*
	✓			

*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:

25/05/2021

and recorded as minute reference:

TC21/13d)

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

Chairman [signature]

Clerk Nicola Clarke

www.alsagertowncouncil.gov.uk

INFORMATION CONTAINED IN SUPPORTING LETTER TO EXPLAIN THE RESPONSES PROVIDED TO ASSERTIONS 2, 5 & 7.

Name of Smaller Authority: **Alsager Town Council**
County Area (local councils and parish meetings only): **CHESHIRE EAST**

Explanation of 'No' / 'Yes - Except For' responses to assertions in Section 1 Annual Governance Statement FY2020-21

Assertion 2 – Internal Control
The Council has considered the large scale of requirements within assertion 2 and has identified issues as follows.

1. Financial regulations were not followed in awarding the public conveniences contract during the year.
2. The Council does not have a fully implemented system to issue official purchase orders for all work, goods & services, as required by financial regulations. Official purchase orders are issued for some work, goods & services, but this has not been fully adopted and is not managed through a computerised purchase ordering system.
3. The Council performed audits on some of its asset categories during the year, but a full audit was not completed.

The Council does not feel it appropriate to answer 'yes' to this assertion, but does not feel that it would be appropriate to answer 'no' to this assertion taking into consideration the scale of the issues identified, and the areas that have been complied with.

Assertion 5 – Risk Management
The Council wishes to be transparent and does not feel it appropriate to answer 'yes' to this assertion.

The Council has answered 'Yes – Except For' to this assertion due to:

1. The internal auditor identifying at the second interim audit inspection for FY2020-21 that the risk assessment which had been performed did not address the risk of supplier (procurement) fraud. The risk assessment was updated following the feedback from the internal auditor and it was reported to Council at its meeting dated 27 April 2021 where it was approved under minute reference TC19/333.

Assertion 7 – Reports from Auditors
Again, the Council wishes to be transparent and does not feel it appropriate to answer 'yes' to this assertion.

All matters raised in reports from internal and external audit have been reported to the Council and investigations and actions into matters raised has begun. However, at this point in time, some matters which the internal auditor identified during FY2019-20 remain outstanding for completion.

Therefore, the Council has answered 'Yes – Except for' to this assertion.

MAY BE UNAUDITED : SUBJECT TO CHANGE.

Section 2 – Accounting Statements 2020/21 for

Alsager Town Council

	Year ending 31 March 2020 £	31 March 2021 £	Notes and guidance
			Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.
1. Balances brought forward	323,631	395,531	*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	385,465	411,807	*Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.*
3. (+) Total other receipts	214,574	98,510	*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	249,968	285,767	*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	14,424	14,420	*Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).*
6. (-) All other payments	263,745	165,039	*Total expenditure or payments as recorded in the cash book less staff costs (line 4) and loan interest/capital repayments (line 5).*
7. (=) Balances carried forward	395,531	440,622	*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	389,491	444,421	*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	518,503	528,111	*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	210,820	200,780	*The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).*

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

I certify that for the year ended 31 March 2021 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

Nicola Cooke

Date 29/04/21

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

25/5/21

as recorded in minute reference

TC21/13e)

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

[signature]

Explanation of Significant Variances: AGAR Section 2 - Accounting Statements FY2020-21

Alsager Town Council
County Area: Cheshire

Please provide full explanations, including numerical values, for the following:
- variances of more than 15% between totals for individual boxes (except variances of less than £200)
- New from 2020/21: variances of £100,000 or more require explanation regardless of the % variation year on year;
- a breakdown of approved reserves if the total reserves (Box 7) figure is more than twice the annual precept / rates & levies value (Box 2).

Section 2		2019-20 £	2020-21 £	Variance £	Variance %	Explanation
Box 2	Precept or Rates and Levies	385,465	411,807	26,342	7%	Movement below 15%, does not require further explanation

Explained by:

			-	0%	
Precept	385,465	411,807	26,342	7%	
			-	0%	
Other	-	-	-	0%	
	385,465	411,807	26,342		

Box 3	Total other receipts	214,574	98,510	- 116,064	-54%	Movement above 15%, requires further explanation

Explained by:

Alsager Civic income	197,155	5,968	- 191,187	-89%	Large reduction in income at Alsager Civic. Due to COVID restrictions leading to full closure at times, and significant impact on operations when allowed to open.
Market Income	6,507	3,700	- 2,807	-1%	Market income lower in the year, again impact due to COVID restrictions. Food and essential retail were the only stalls allowed to trade for the majority of the year.
Allotments income	5,394	5,414	20	0%	
Investment Income	2,890	610	- 2,280	-1%	Large reduction due to funds being utilised as service income was lower, plus reduced interest rates.
CJRS scheme		26,315	26,315	12%	Received in FY2020-21 as a result of COVID-19 for employees furloughed.
COVID related grants		42,050	42,050	20%	Received in FY2020-21 as a result of COVID-19. LADGF, LRSG and closed business lockdown payment grant schemes.
Community Infrastructure Levy received		12,929	12,929	6%	Received in FY2020-21.
			-	0%	
Other	2,628	1,524	- 1,104	-1%	
	214,574	98,510	- 116,064		

Box 4	Staff Costs	249,968	285,767	35,799	14% Movement below 15%, does not require further explanation

Explained by:

Staff mileage claims			-	0%	
Staff Training / Conferences			-	0%	
Compromise Agreement	-		-	0%	Item specific to FY2018-19.
Alsager Civic staff costs	105,784	136,870	31,086	12%	Higher in the year due to having an Asset Manager and Civic & Institute Manager in post during FY2020-21, neither of which were in post in FY2019-20.
Alsager Civic redundancy costs		2,020	2,020	1%	
Town Council Administration staff costs	137,827	118,979	- 18,848	-8%	Reduction in costs charged to Town Council Administration in FY2020-21 after review of allocations of management to service areas of the Council, including the charity which the Council is the trustee for.
Market staff costs	5,153	15,335	10,182	4%	Higher in the year due to having an Asset Manager in post during FY2020-21, the post was vacant during FY2019-20.
Toilets staff costs	602	5,879	5,277	2%	Higher in the year due to having an Asset Manager in post during FY2020-21, the post was vacant during FY2019-20.
Allotments staff costs	602	5,684	5,082	2%	Higher in the year due to having an Asset Manager in post during FY2020-21, the post was vacant during FY2019-20.
Alsager Institute		-	-	0%	
Other	-	1,000	1,000	0%	
	249,968	**285,767**	**35,799**		

Box 5	Loan interest / capital repayments	14,424	14,420	- 4	0% Movement below 15%, does not require further explanation

Explained by:

Other	14,424	14,420	- 4		
	14,424	**14,420**	**- 4**		

Box 6 All other payments 263,745 165,039 - 98,706 -37% Movement above 15%, requires further explanation

Alsager Civic: bar purchases, events, cinema, security, table cloth laundering, bingo, licences & fees, marketing, bank charges, electricity, gas, water, cleaning supplies	70,143	6,841	- 63,302	-25%	All direct costs relating to income provision at Alsager Civic, reduced YOY due to COVID restrictions on operations.
COVID-19 Costs	2,887	7,738	4,851	2%	Costs reporting specifically relating to COVID, higher in FY20-21 as impacted for the majority of the year.
Chairman's Allowance	1,717	118	- 1,599	-1%	Reduced activity due to COVID.
Grants	47,637	37,717	- 9,920	-4%	Reduced activity due to COVID, reduced grant funding provided.
Public Realm project	14,854	2,130	- 12,724	-5%	Project in FY2019-20 for the vision, public consultation costs incurred in FY2020-21.
Neighbourhood Plan costs	6,914	-	- 6,914	-3%	Project completed in FY2019-20.
Community Clean up	1,238		- 1,238	0%	Project completed in FY2019-20.
Recruitment fees	6,698	2,255	- 4,443	-2%	Variable cost per year, 2 roles recruited in FY2019-20, 1 role recruited in FY2020-21.
			-	0%	
Other	111,657	108,240	- 3,417	-1%	
	263,745	165,039	- 98,706		

Box 9 Total fixed assets & long term investments & assets 518,503 528,111 9,608 2% Movement below 15%, does not require further explanation

Explained by:

			-	0%	
			-	0%	
			-	0%	
			-	0%	
			-	0%	
			-	0%	
			-	0%	
			-	0%	
			-	0%	
Other	518,503	528,111	9,608	2%	
	518,503	528,111	9,608		

Box 10 Total borrowings 210,820 200,780 - 10,040 -5% Movement below 15%, does not require further explanation

Explained by:

Outstanding balance at 31st March on loan drawn down from the PWLB in May 2017 in relation to the refurbishment at Alsager Civic	210,820	200,780	- 10,040	100%	Confirmed against official letter received from the PWLB during April 2020 & 2021 detailing PWLB balance outstanding as at 31st March.
			-		
Other	-	-	-		
	210,820	200,780	- 10,040		

Box 2	Precept or Rates and Levies	385,465	411,807	
Box 7	Balances carried forward	395,531	440,622	
Box 7 % Box 2		103%	107%	Box 7 is NOT more than twice Box 2
				No further explanation required

Explanation for 'high' reserves	Box 7 is more than twice Box 2 because the authority held the following breakdown of reserves at the year end:				
Other					