

Issue	Recommendation	Cholmondeley and Chorley Parish Council Response
<p>1. Reserves B/fwd from 2023 (Point A)</p> <p>Although per the AGAR 23.24 the correct roll forward figures were entered from the prior year reserves to the new financial year. The c/fwd in 2023 and b/fwd in 2024 reserves figure of £8,956 does not agree to the total of the 2 bank account balances b/fwd.</p>	<p>The AGR for 22.23 and 23.24 should be amended so that all figures disclosed are correct. We acknowledge the council's efforts to get the bookkeeping and records up to date and that going forward the figures will be more accurate.</p>	<p>The Parish Council acknowledges the feedback provided and remains fully committed to transparency, accountability, and compliance with sector best practices. The AGAR figures were prepared in good faith, in consultation with the internal auditor, and published following the completion of the review. Minor adjustments were identified after the audit review and subsequent publication. These adjustments have been carefully assessed and deemed immaterial, with no impact on the integrity, accuracy, or overall financial position of the Council. Given the immaterial nature of these adjustments, the Council has determined that retrospective amendments would not represent a proportionate or efficient use of public funds. This approach aligns with the principles of practical financial management endorsed by NALC and ChALC. The Council remains committed to continuous improvement and has already implemented enhanced reconciliation processes and strengthened financial oversight to ensure future statements fully reflect current expectations and best practices.</p> <p>Conclusion</p> <p>The Parish Council will not be making changes to the published figures, as the adjustments are immaterial and do not affect the Council's</p>

		<p>compliance, transparency, or financial governance.</p> <p>The Parish Council sincerely appreciates the time and effort the auditors have dedicated to reviewing our financial records. Their insights and feedback are invaluable in ensuring continued transparency and best practices in financial governance.</p>
<p>2. VAT (Point B) The VAT reclaim form for 23.24 year has been completed and submitted to HMRC. HMRC are in communications with the clerk to get this set up and paid.</p> <p>However, on a review of the cashbook figures, invoices and VAT reclaim form it was noticed that there were some expenses where VAT had not been correctly separated out and because of this they have been missed off the VAT reclaim form</p>	<p>The council should review of all expenses, invoices and VAT to ensure VAT is correctly separated out and recorded.</p> <p>The council needs to ensure corrective action is taken to ensure all VAT is claimed correctly and any errors on previous VAT returns are corrected in a timely manner.</p>	<p>The Parish Council identified a minor VAT classification error relating to a small number of expenses in June 2023. This was an isolated oversight, promptly recognised and immediately addressed.</p> <p>The VAT reclaim form for the period was submitted without delay, and appropriate steps were taken to finalise the required account setup with HMRC.</p> <p>This matter did not reflect a failure in the Council's internal control environment, but rather a singular human error within an otherwise sound financial system. Following this, internal processes were reviewed and strengthened to ensure accuracy in all future VAT claims.</p> <p>It is recognised that similar minor administrative discrepancies have occurred in other parish councils across Cheshire East, and where corrective action has been</p>

		<p>promptly taken, internal control objectives have continued to be assessed as satisfactory. This reflects a common understanding across the sector that proportionality, timely remediation, and effective oversight are key indicators of good governance.</p> <p>Conclusion: The Council's swift and thorough response, combined with robust internal review procedures, demonstrates its strong commitment to financial compliance, accuracy, and continuous improvement.</p>
<p>3. Accounting Statements (Point J)</p> <p>The AGAR for 22.23 does not include the correct figures. Bank interest received has not been included in box 3 and also in the closing reserves in box 8. The AGAR for 23.24 also does not include the correct figures. The opening reserves figure in box 1 needs to be corrected and also the figure in box 6 needs to be corrected to include the fixed asset purchase in the year</p>	<p>The AGR for 22.23 and 23.24 should be amended so that all figures disclosed are correct. We acknowledge the council's efforts to get the bookkeeping and records up to date and that going forward the figures will be more accurate</p>	<p>The Parish Council acknowledges that minor adjustments relating to the 2023/24 AGAR were identified after the initial audit review and subsequent publication of the financial statements. These have been carefully assessed and are considered immaterial, with no impact on the overall financial position or integrity of the Council's accounts.</p> <p>The AGAR was completed in accordance with professional advice from the internal auditor and based on the best available records at the time of the initial review. Internal documentation supports that all figures were prepared in good faith and aligned with sector standards.</p> <p>In line with NALC and ChALC guidance, the Council has adopted a proportionate and</p>

		<p>responsible approach, ensuring that any immaterial adjustments are handled in a way that reflects practical financial management and good governance. The cost, time, and public resources involved in reprocessing figures of negligible impact would not provide meaningful value.</p> <p>Given that similar points have previously been marked compliant with explanatory notes, the Council respectfully requests the same treatment in this case.</p> <p>Conclusion: The Parish Council is confident that it has acted transparently, prudently, and in full alignment with audit expectations. Future AGAR submissions will continue to reflect the Council's strengthened internal controls and commitment to best practice.</p>
<p>4. Published Certificate of Exemption (Point K)</p> <p>The published Certificate of Exemption for 22.23 shows the incorrect total annual gross income figure.</p>	<p>The council should ensure that the certificate of exemption is completed correctly and the total gross income and total gross expenditure figures agree to the accounts. We acknowledge the council's efforts to ensure all records are correct going forward.</p>	<p>The Parish Council acknowledges the issue relating to the 2022/23 Certificate of Exemption and confirms that this has since been addressed through internal review and the strengthening of documentation procedures.</p> <p>To ensure accuracy going forward, the Council has implemented enhanced checks to confirm that all exemption certificates align fully with underlying financial records.</p>

		<p>These improvements form part of the Council's wider commitment to AGAR compliance, transparency, and strong public accountability.</p> <p>Conclusion: The matter has been resolved, and robust review protocols are now firmly embedded to ensure continued accuracy and compliance.</p>
<p>5. Publication requirements for the AGAR</p> <p>(Point N) Smaller authorities must publish various documents on a publicly available website as required by the Accounts and Audit Regulations 2015, the Local Audit (Smaller Authorities) Regulations 2015 and the Transparency Code for Smaller Authorities. These include:-</p> <p>Certificate of Exemption - Annual Internal Audit Report 2022.23 - Section 1 - Annual Governance Statement 2022.23 - Section 2 - Accounting Statements 2022.23 - Analysis of variances - Bank reconciliations - Notice of the period for the exercise of public rights and other information required by Regulation 15 (2), Accounts and Audit Regulations 2015 The bank reconciliations and analysis of variances were not published on the authorities website</p>	<p>The council must comply with the publication requirements of the Accounts and Audit Regulations 2015, the Local Audit (Smaller Authorities) Regulations 2015 and the Transparency Code for Smaller Authorities.</p> <p>We acknowledge and appreciate the council's efforts to get the bookkeeping and records up to date and that going forward the figures will be more accurate</p>	<p>The Parish Council acknowledges that certain statutory publication requirements were not met during 2022/23.</p> <p>The Parish Council would also like to note that there was a delay in receiving the final internal audit report and action plan for the 2023/24 financial year. This followed a decision by the internal auditors to consult with the external auditors, which resulted in an amended version of the report being issued. The Council understands that this approach was taken to ensure the final report provided a comprehensive and accurate reflection of the internal control environment, including control objectives relevant to the 2022/23 period.</p> <p>Conclusion: The Council welcomes the opportunity for thorough audit oversight and remains committed to transparency, accountability, and meeting all statutory obligations through well-established internal processes</p>

<p>6. Any outstanding points raised by previous internal auditor</p>	<p>The council should ensure that these are actioned.</p>	<p>The Parish Council is committed to addressing all relevant audit recommendations and upholding strong standards of financial governance.</p> <p>Since January 2024, the Responsible Financial Officer (RFO) has undertaken a thorough review of internal audit records available up to the 2021/22 financial year.</p> <p>With regard to previous years, the Parish Council has taken a proportionate approach, consistent with guidance from NALC and ChALC, and has determined that it will not revisit or amend historic records where any identified issues are immaterial and would have no impact on the Council's financial position or statutory obligations.</p> <p>Instead, the Council has focused its resources on strengthening current and future compliance, ensuring that all processes are robust, transparent, and aligned with best practice.</p> <p>Conclusion:</p> <p>The Parish Council affirms its commitment to sound governance, effective use of public resources, and continuous improvement from 2023/24 onwards. Historical matters deemed immaterial will not be revisited, allowing the Council to prioritise meaningful progress and practical compliance.</p>
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