

## BRAUNSTONE TOWN COUNCIL

### STATEMENT ON EXTERNAL AUDIT FINDINGS – NOVEMBER 2018

#### External Audit Findings

On 3rd October, the external auditor sent their final report, which stated:

*“The AGAR was not accurately completed before submission for review. Please ensure that amendments are corrected in the prior year comparatives when completing next year’s AGAR:*

- The figures in Section 2, Box 3 are incorrect for 2016/17 and 2017/18. The figures should read £241,036 and £267,613 respectively”.*

The assertion is based on the findings in the Variance Report and the Explanation for Variances.

#### Explanation

The invoice was not raised during 2016/17 and therefore there was no receipt for 2016/17 nor reserved debtor on 31st March 2017. To that extent there was no accounting error. The contract fee is £15,000 in two instalments of £7,500. The error in 2016/17 was administrative in the sense that the due income entry for £15,000 was converted into a transaction of £7,500 to raise the first invoice and thereby the record that a further £7,500 was due was lost and the second invoice for £7,500 was not raised.

The error came to light during 2017/18 when the customer queried the two instalments of £7,500 when they had only made one payment of £7,500 in 2016/17. The customer agreed to pay the £7,500 relating to the previous financial year upon receiving an invoice.

Therefore, the Town Council invoiced and received £7,500 in 2016/17 and £22,500 in 2017/18.

#### Annual Governance and Accountability Return

Based on the external auditor’s final report recommendations, the outturn figures would be as set out in the table below. The figure in bold is a revised figure (the figure in brackets is the original figure). The figures are rounded when section 2 of the Annual Governance and Accountability Return is completed.

	<b>2016/2017</b>	<b>2017/2018</b>
1. Balances brought forward	£350,420.68	<b>£320,303.46</b> (£312,803.46)
2. (+) Annual precept	£495,653.00	£519,556.00
3. (+) Total other receipts	<b>£241,035.76</b> (£233,535.76)	<b>£267,612.89</b> (£275,112.89)
4. (-) Staff costs	£442,383.95	£462,128.74
5. (-) Loan interest / capital repayments	£63,912.42	£63,786.42
6. (-) Total other payments	£260,509.61	£313,358.56
7. (=) Balances carried forward	<b>£320,303.46</b> (£312,803.46)	£268,198.63
8. Total cash and investments	£308,408.89	£250,239.41
9. Total fixed assets and long term assets	£4,542,472.99	£4,549,629.49
10. Total borrowings	£379,906.10	£335,103.23