

Downton Parish Clerk

From: SBA <SBA@pkf-l.com>
Sent: 24 November 2020 10:04
To: Downton Parish Clerk
Cc: SBA; Isha Anagal
Subject: RE: Downton Parish Council WI0086 - review of AGAR Part 3

Dear Mrs Cornish

As one of the engagement leads on the contract Isha has spoken to me about your queries over the ongoing accounting basis for Downton Parish Council.

Just to clarify, Isha is correct in saying you may continue to use the receipts and payments basis for 2020/21 as the council returns to more regular levels of spending and as a result you will therefore not need to restate the 2019/20 figures. The council should table our 2019/20 External Auditor Report at the next full council meeting and it would be sensible to explain the situation in that meeting so it is formally minuted. The best thing to do when submitting the 2020/21 AGAR is if you submit copy of those minutes to support the ongoing receipts and payments basis and refer to it in your covering email. If you would like you can also submit a copy of this email to ensure the team working on your files next year understands the situation.

I hope that helps.

Kind regards
Jane

SBA Team | Engagement Lead

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From: Isha Anagal <ianagal@pkf-l.com>
Sent: 19 November 2020 20:14
To: Downton Parish Clerk <clerk@downtonparishcouncil.gov.uk>
Cc: SBA <SBA@pkf-l.com>
Subject: RE: Downton Parish Council WI0086 - review of AGAR Part 3

Dear Mrs Cornish,

Thank you for your email and my sincere apologies for the delay. I have had another look at the file and have the following advice for the preparation of the AGAR Part 3 2020/21:

If you are planning on maintaining a receipts and payments basis in 2020/21 since the level of expenditure is below £200K, then we would like you to in fact keep the 2019/20 column(figures) in a receipts and payments basis in order to ensure comparability between the prior year column (2019/20) and current year column (2020/21) of next year's AGAR. My apologies because the "except for" matter wording does suggest restating the 2019/20 figures on an income and expenditure basis but that is based on the assumption that you would be using an income and expenditure basis next year as well. I hope that provides enough clarity on your query. Please feel free to contact me via telephone if I can be of further assistance on this matter.

Kind Regards,

Isha

Isha Anagal
SBA Team

For and on behalf of PKF Littlejohn LLP
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From: Downton Parish Clerk <clerk@downtonparishcouncil.gov.uk>
Sent: 09 November 2020 10:09
To: Isha Anagal <ianagal@pkf-l.com>
Subject: RE: Downton Parish Council WI0086 - review of AGAR Part 3

Dear Isha

I have just received the AGAR returned with the items on it and wanted to clarify the 'Except for' matter relating to the proper practices comment particularly the words 'Please ensure that the 2019/20 figures are restated in the prior year comparatives when completing next year's AGAR.'

As explained in the Explanation of Variances documents sent with this year's AGAR and for the last 3 years, the reason for the higher level of expenditure and income over those years was due the completion of an extension to the Downton Memorial Hall for which the Council received s106 monies and took on a PWLB loan. Each year the figures for both income and expenditure have reduced. As this was a one off project and has been completed, in the Council's current year (2020/21) the income and expenditure has returned to more historical levels and will not exceed £200k in either income or expenditure. I am therefore planning to prepare the 2020/21 accounting year and its AGAR on a payments and receipts basis.

What I want to understand is how you/PKF Littlejohn will do your 'comparatives' if I do the work to restate the 2019/20 figures on an 'income and expenditure' basis and then submit them with the 2020/21 figures being done on a 'payments and receipts' basis?

Your guidance would be appreciated.

Many thanks and regards

Bev

Bev Cornish
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