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Batheaston Parish Council

22nd July, 2020

Explanations for Weaknesses acknowledged in the Annual Governance Statement

2019/20 was a year of significant upheaval and change for the Council, which underlie the failure to maintain consistent controls:

- the change of Clerk midway through the year; the new Clerk being an experienced manager but with no experience of Council Administration and therefore not fully conversant with processes;
- there was a high turnover of Councillors during the year;
- significant change in the structure of Committees and Working Groups, which led to a lack of continuity in oversight of processes;
- to address previous weaknesses Council decided to implement a new system for managing finances and to move bank account to a bank more appropriate for a Local Council. These changes caused some disruption in the processes.

Specific Areas of Weakness

In response to **assurance No. 2** "We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness", Council resolved that it could not give assurance that it had "made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge".

Specific Comments:

- Updated Financial Regulations were approved in May 2019, but there was insufficient time allocated to put in place the necessary procedures to give these effect.
- While all transactions have been reviewed and approved by Councillors, there was a failure to:
 - 1) fully track payments to Council decisions, and
 - 2) present information on financial transactions to Council in public meetings.

Planned actions to address these failings:

- A new Finance Committee was established (in March 2020), giving close scrutiny to processes;
- The new Clerk will be undertaking CiLCA training during this coming year;
- An action plan is being put in place to address each weakness, which will call on external expert advice as needed to verify its effectiveness.

In response to **assurance No. 7** "We took appropriate action on all matters raised in reports from internal and external audit" Council resolved that it could not give assurance that it had "responded to matters brought to its attention by internal and external audit".

The following recommendations were not fully and consistently implemented:

- 1) Minutes clearly record all payments being approved and/or made each month
- 2) Every page of the approved minutes should be initialled by the Chair.
- 3) Bank reconciliations are signed and dated by the RFO
- 4) Bank reconciliations and bank statements are taken to Council meetings for checking, and this check is evidenced by the Councillor who performs the check
- 5) Councillors evidence the approval of invoices for payment by initialling and dating the invoice.

Explanation:

- All of the above were undertaken for the first 8 months of the year, but the new Clerk did not apply them consistently.

Planned actions to address these failings:

- Finance Committee will work with the Clerk to ensure that these processes are in place.
 - The Clerk will be undergoing training during the year.
- 6) Councillors do not use their personal email addresses but have council specific email addresses

Explanation:

- There were significant efforts to enable Councillors to use the email addresses provided by the Council, but in a number of cases technical difficulties made this effectively impossible.

Planned actions to address this failing:

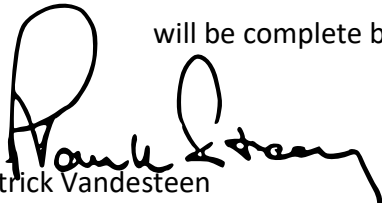
- Council has now approved the use of a standard email system for implementation imminently, which will not present this problem.
- 7) The risk assessment is reviewed, updated and adopted before 31 March 2020.

Explanation:

- A new risk management policy was approved in June 2019, but assessment was not fully carried out.

Planned actions to address this failing:

- Risks Assessments are being carried out for the Councils facilities and operations, and will be complete by September 2020.



Patrick Vandesteen

Chairman of Batheaston Parish Council



Richard Maccabee

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Parish Clerk