



# Batheaston Parish Council

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14th July, 2021

## Explanations for Weaknesses acknowledged in the Annual Governance Statement

### Background

2020/21 was a challenging year for the Council. In addition to the challenges of dealing with Coronavirus, moving to online meetings, and changing associated practices, the following underlie the failure to make significant progress:

- the Clerk was new in post at the start of the year and has not been able to devote very much time to training. He is now about to embark on the Certificate in Local Council Administration;
- there was a high turnover of Councillors during the year, with 3 different Chairmen of Council;
- A finance Committee was established in May 2020, with the express purpose of overseeing the improvement in practice required. This however also had high turnover, and had 3 different Chairmen in the year;
- The Council has been under significant pressure during the year, requiring multiple additional meetings, and the diversion of time to address complaints and challenges.
- new systems were implemented during the year, to provide the foundation for addressing weaknesses, but the Clerk was not able to devote time to completing the cut-over to using them until after year-end.

### Specific Areas of Weakness

In response to **Assurance No. 1** "We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements". **Council resolved that it could not give assurance** that it had "prepared its accounting statements in accordance with the Accounts and Audit Regulations".

### Specific Comments:

- The statements will not have been approved by the statutory deadline of 30 June 2021. This is due to a series of factors:
  - That Council could not meet after 6<sup>th</sup> May 2021 owing to the expiry of Coronavirus Legislation
  - The postponement of the Internal Auditor's visit due to the Clerk's need to self-isolate.

### Planned actions to address these failings:

- The new finance system will allow for statements to be produced promptly.
- A schedule will be agreed early in 2022 to ensure that the statements are approved soon after the financial year end.

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:

- 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:

- The new finance system has not been fully implemented and will be used to provide the necessary reports to Councillors and to the public, in meetings.
- 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. 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", **Council resolved that it could not give assurance** that it had "considered and documented the financial and other risks that it faces and dealt with them properly"

Explanation:

- The member of Finance Committee who took the lead in updating the Risk management policy and its implementation resigned in late 2020, and no replacement was put in place.

Planned actions to address this failing:

- Completing the Risks Management Policy will be a high priority for the Finance Committee in 2021/22 and will be followed by a rolling programme of risk assessments to complete before March 2022.

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".

Explanation:

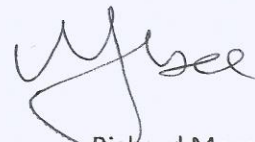
- Many of the above have been undertaken, particularly in the latter half of 2020, but have fallen into abeyance when the membership and Chairmen of Finance Committee changed in early 2021.

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.



Hannah Squire  
Chair of Batheaston Parish Council



Richard Maccabee  
Parish Clerk