



Batheaston Parish Council

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Explanations for Weaknesses acknowledged in the Annual Governance Statement

Background

2021/22 began with lockdown restrictions still in place, and following an enforced break, in-person meetings was not able to commence until June 2021. At this time, a group of residents challenged the Parish Council, particularly at a difficult Annual Meeting of Electors (attended online by the maximum 100) giving vent to their frustration about the lack of progress on a number of projects over the past few years. Because of these events, a number of Councillors resigned, and the Council has operated with only one more than its quorum of five for most of the year.

Against this background, the Council has made good progress:

- A project to upgrade the playground has successfully completed its first phase, addressing safety concerns and providing new equipment.
- Substantial improvements have been made to the Council's Riverside Park
- Approximately 20 of the Council's 32 streetlights have been repaired and upgraded
- The finance system has gradually been implemented throughout the year, and although more needs to be done, this has allowed the Council to reclaim VAT for the first time, totalling over £11,000 for 2018-20.
- This small complement of Councillors was able to organise a successful Jubilee Party, which was very much appreciated by residents, and – it is hoped – has improved the perception of the Council.
- New candidates for co-option to the Council have come forward, which will be crucial in improving practice and continuing the positive progress.

Nevertheless, it is clear that the tumultuous events in the past few years, and the low complement of Councillors has caused the Council and the Clerk to overlook some of the key financial processes, and both Councillors and the Clerk recognise that it is past time to put our administrative house fully in order.

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:

- Basic financial controls have been in place to monitor expenditure, and to ensure that Council approves all expenditure undertaken.
- Some basic processes have not been undertaken in a timely manner, notably bank reconciliation, and expenditure has not been made public in a timely way.

- Council felt obliged to abolish the Finance Committee, given that with so few Councillors it could not adequately support it, but insufficient was done to transfer its functions effectively to Full Council meetings.

Planned actions to address these failings:

- The new finance system is now fully operational and will form the basis for transaction and approvals from now on.
- Council will consider re-establishing the Finance Committee.
- The Audit Action Plan, to address all of the Internal Auditors' Comments, will be made a standing item on Council meeting.

In response to **Assurance No. 3** "We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances", Council resolved that it could not give assurance that it had "only done what it has the legal power to do and has complied with Proper Practices in doing so".

Explanation:

- Following the dissolution of the Finance Committee, management and administration of finances was not adequately prioritised, this was largely owing to the focus on addressing the concerns raised by residents.

Planned actions to address this failing:

- The Council is in a much stronger position now than in the past 2-3 years, and will be able to commit to the establishment of proper practices.
- The Clerk is finally able to embark on the CiLCA training (on 1st August 2022), and will be supported by Councillors to overhaul Council processes.

In response to **Assurance No. 4** "We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations", Council resolved that it could not give assurance that it had "during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts".

Explanation:

- The period for the exercise of public rights, commenced on 14th July, and it did not therefore include the first 10 working days of July 2021.

Planned actions to address this failing:

- This was solely a result of the fact that the Council's scheduled meeting in June 2021 could not go ahead due to Covid-19 lockdown restrictions, and the expiration of temporary legislation to allow meetings to be held online. Council does not anticipate this problem recurring.

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:

- Although risks have been assessed and managed for specific events, and purposes, this has been undertaken on an ad hoc basis. With the disbanding of the Finance Committee there was a lack of focus on developing a comprehensive process.

Planned actions to address this failing:

- A Councillor will be nominated to work with the Clerk to review the Risk Management Policy and processes, and to undertake any outstanding risk assessments.

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:

- Although an Audit Action Plan was developed, it was not followed through, due to a change of personnel.

Planned actions to address these failings:

- Council will commit to addressing outstanding actions, making review of the Audit Action Plan a standing item at its meetings.



Hannah Squire

Chair of Batheaston Parish Council



Richard Maccabee

Parish Clerk