

## **North Kelsey Parish Council Annual Governance Review 2020/21.**

Acting Clerk and RFO Jackie Grainger – appointed 9<sup>th</sup> June 2021.

The Annual Governance Statement was presented to the Councillors of North Kelsey Parish Council on the 22<sup>nd</sup> June 2021, prepared and provided by the previous clerk, Mrs. J. Waite – a former employee, leaving date 9<sup>th</sup> June 2021, and audited internally by S. Davis, 4<sup>th</sup> May 2021, details to be provided upon request.

Below is information relating to the Annual Governance Statement for the year ending 2020/21, which has identified weaknesses throughout the authority, with further explanations of how they have been address.

For additional information, the Councillors currently appointed for the ensuing year 2021/22, were not appointed for the Financial Year Ending 2020/21.

### **Section 1 – Annual Governance Statement 2020/21**

Weakness - North Kelsey Parish Council failed to submit an annual VAT refund claim, which had been identified in 2018. This did not get reclaimed in 2019 and was eventually reclaimed in 2020. Additionally, the overpayment to a water supplier was not addressed, with excess payments made, and eventually refunded after enquiries.

Rectification – North Kelsey Parish Council will carefully be following its Financial Regulations, points 1.9, 1.12, 1.13, 2.2, 2.4 & 9. A copy of the Financial Regulations will be attached to this document or be available to download.

### **Section 2 – Annual Governance Statement 2020/21**

Weakness – North Kelsey Parish Council failed to submit the annual VAT refund claim for 3 years.

Rectification – Following Financial Regulation, point 2.2 - On a regular basis, at least once in each quarter, and at each financial year end, a member other than the Chairman shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the council.

### **Section 6 – Annual Governance Statement 2020/21**

Weakness – North Kelsey Parish Council did arrange for an audit, but not all information was provided as required.

Rectification – North Kelsey Parish Council will arrange for the internal audit report to be distributed to all Councillors, at the time of issue, and provide the auditor with all relevant information as required, to include details of contracts awarded with relevant durations.

### **Section 7 – Annual Governance Statement 2020/21**

Weakness – North Kelsey Parish Council did not respond to matters brought to their attention in a timely manner.

Rectification – North Kelsey Parish Council will arrange for the internal audit report to be distributed to all Councillors, at the time of issue, and provide the auditor with all relevant information as required, to include details of contracts awarded with relevant durations.

## **North Kelsey Parish Council Annual Governance Review 2020/21.**

### **Section 8 - Annual Governance Statement 2020/21**

Weakness – North Kelsey Parish Council did not have proper financial information provided to enable it to effectively create a budget, due to VAT reclaim not being undertaken for 2018 and 2019. The income from this activity is essential to the running of the parish and should be reclaimed accordingly. Additionally, the overpayment of supplies (water) was unusual, and not brought to the attention of the councillors.

Rectification - North Kelsey Parish Council will carefully be following its Financial Regulations & procedures to ensure that the financial transactions of the council are recorded as soon as reasonably practicable and as accurately and reasonably as possible; with procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records; including identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions; further procedures to ensure that uncollectable amounts, including any bad debts are not submitted to the council for approval to be written off except with the approval of the RFO and that the approvals are shown in the accounting records; and measures to ensure that risk is properly managed.

### **Section 9 - Annual Governance Statement 2020/21**

Weakness – North Kelsey Parish Council have not met its responsibilities in relation to managing the Trust Fund – with no accounts prepared, or audit carried out for the financial year end 2020/21, by the Responsible Financial Officer appointed at that time.

Rectification – North Kelsey Parish Council will ensure that we discharge our accountability responsibilities by preparing a financial report at its earliest opportunity.

For the financial year 2021/22 - All financial records are to be reviewed in line with the Financial Regulations as adopted by North Kelsey Parish Council, and they will seek an additional independent full internal audit at its earliest opportunity.

This Statement was prepared by J. Grainger – Acting Clerk & RFO, 22<sup>nd</sup> June 2021.