

## **Annual Governance Statement 2021-22**

The Council is asked to complete and approve Section 1 of the Annual Return - The Annual Governance Statement

This part of the annual return requires members to acknowledge their responsibility for ensuring there is a sound system of internal control, including the preparation of the accounting statements. The return is to be signed by the Chairman and Clerk to this effect once the Council has carefully considered and agreed each of the nine specific statements.

The following provides a more detailed explanation of each item:

### **1 We have put in place arrangements for effective financial management during the year and for the preparation of accounting statements.**

The Accounts are prepared by the RFO on an income and expenditure basis in accordance with the Accounts and Audit Regulations and guidance in Governance and Accountability for Smaller Authorities, A Practitioners' Guide. March 2016. This is scrutinised by the Finance and Establishment Committee and through the internal audit process

### **2 We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and reviewed its effectiveness.**

In the absence of a current Statement of Internal Control the Council has maintained its system of internal control by regular internal audits in accordance with the agreed Audit Plan. All payments are also presented to Committee for review and cheques and BACS require two councillor signatures. Monthly finance reports are submitted to Council for review

**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 the council to conduct its business or on its finances**

Measures include regular reviews of Standing Orders and Financial Regulations, training for councillors and staff and identification of powers for all council payments

**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**

The Council provided a period commencing on 14th July and ending on 24th August 2021 for the exercise of electors' rights. This entitled any person interested to inspect and make copies of the Annual Return, books, invoices, receipts etc at the Council Offices in normal working hours during this period. This failed to comply with the Statutory obligation as noted in the External Auditor's Report. This timing difference will not re-occur in the current year.

Notices to this effect will be displayed on the Council's noticeboards around the town and on the Council's website.

**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**

External insurance is in place and was reviewed in June 2021 and will be reviewed again in June 2022. A revised risk assessment has been produced for consideration by council

**6 We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems**

The Mrs Vicky Waples was appointed as the Council's internal auditor. There have been two visits during the financial year. The final end of year visit was on 5th May 2022. The scope of her work followed the outline programme drawn up in 2021. The reports from the internal auditor were presented to all councillors and any issues raised by the auditor were reviewed at the next meeting of the Finance & Establishment Committee.

**7 We took appropriate action on all matters raised in reports from internal and external audit.**

One issue was raised by the External Auditor with regards the AGAR for 2020-21 as to the period of Public Rights as noted under section 4.

All matters raised by the internal audits are in the process of being addressed

**8 We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year end, have a financial impact on this authority and, where appropriate have included them in the accounting statements.**

The RFO has considered these matters and debtors and creditors are included in the end of year accounts

**9 Trust Funds - in our capacity as the sole managing trustee we have discharged our responsibility in relation to the accountability for the funds/assets, including financial reporting and, if required, independent examination or audit**

Not applicable