

Annual Governance Statement 2021/22 – Explanation as to the non-compliance in effective financial controls.

It's worth noting that 2021/2 has been a turbulent year for the Parish Council.

The council started the year with 11 Councillors. Then followed a series of resignations due to internal disagreements and personality clashes amongst councillors. In July and August, the following Councillors resigned Curry, Foster, Holt, Park, Twist, Whitwell. The Clerk & Responsible Financial Officer also resigned in July due to health reasons.

Councillor Fortune took the position as Acting Clerk and Proper Officer from August 21 through to the 17th February 22.

By the end of August 21, the Council only had one bank signatory left on the Banking mandate, therefore no cheques could be raised or paid, until a new banking mandate was arranged with the bank.

Two additional new Councillors were appointed in December (Yates & Jenkins). Yates was appointed Chair in February, and a new Finance Committee (Yates, Jenkins & Fortune). The new banking mandate was completed in March. Consequently, there were no transactions (bar direct debits) from August 21 through to April 4.

On 17 February a new Clerk and Responsible Financial Officer was appointed. In the same month an additional new councillor Rob Veitch was appointed.

In April Councillor Glover resigned due to relocation.

The priority since February has been to restore good administration and governance to the Council.

Due to the many changes that have taken place the Finance Committee decided that it would be sensible to engage with a professional certified accountancy practice (Bennett Kirkhope Smith) to conduct the internal audit.

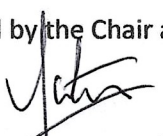
The conclusion of the audit was that there were a significant number of regulations that have not been met. Whilst they did not believe that these instances of non-compliance affect the true and fair view of the Parish Financial information, such breaches have been brought to our attention with recommended solutions.

From the table below, there are 11 such breaches which the Parish Council accept and will undertake to adopt throughout 2022/23 and beyond.

Signed by the Chair and Clerk of Bolton-by-Bowland, Gisburn Forest & Sawley Parish Council


Chair

Date


23/5/22

Clerk

Date


23/5/22

APPENDIX 1

	Issue found during external audit review	Solution suggested
	BANK	
1	Only one reconciliation seen during the year. No evidence of reconciliations being prepared regularly	Reconciliations to be prepared monthly
2	No evidence of the bank reconciliation being signed as reviewed or approved	Each reconciliation to be reviewed and signed by someone other than the person preparing the reconciliation
3	No evidence of the original bank statements being signed as reviewed or approved	Original bank statements to be signed to show reviewed by both the person reconciling the bank and the person reviewing the reconciliation
	WAGES	
4	No evidence of calculations that form wages payments seen	Evidence of the wages calculation to be retained on the year end file
5	No evidence of authorisation of wages payments seen	Wages payments to be authorised for payment by two committee members and signed to show authorised by those members
	RECEIPT	
6	No evidence seen for the receipt from HMRC in April 21 for £177	All receipts to be retained to back up any income received
	INVOICES	
7	A substantial number of payments made by cheque can not be matched to supporting invoices	Invoices making up payments to be retained on file detailing which cheque number they have been paid by and ensuring invoices add up to the total paid
8	A substantial number of invoices incurred in the year have not been paid at the year end	These should be paid as soon as possible and included in the next years financial statements
9	Not all invoices have been signed by two committee members to show approval for payment	All invoices should be signed by two committee members prior to payment to show approval for payment

	BUDGETS	
10	No budget for the 2022/23 year has been seen	Budgets should be produced and reviewed by the committee. These budgets should then be reviewed each month and compared to actual with variances discussed and noted
	MINUTES	
11	No committee meeting minutes have been seen for the year to 31.3.2022	Minutes should be taken and retained for all committee meeting and included in the year end file for review