

Section 1 – Annual Governance Statement 2022/23

Explanation of Negative Responses

Creeping St Peter Parish Council

Introduction

The Parish Clerk & Responsible Financial Officer (RFO) left the Council's employment in 2021/22. The recruitment of a replacement was not successful during the remainder of the year. Parish Clerk and RFO duties were taken on by Members of the Council on a temporary basis which included the completion of the Annual Governance & Accountability Return (AGAR) for 2021/22 which was approved in July 2022. A new Parish Clerk commenced employment in September 2022. A dedicated RFO started at the same time with responsibility for the preparation of the AGAR for 2022/23.

Assertion 2

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

Background 2: Practitioners' Guide (March 2022) (Sections 1.15.3 & 1.15.5)

Authorities need to approve the setting up of, and any changes to, accounts with banks or other financial institutions. The authority needs to approve every bank mandate, the list of authorised signatures for each account, the limits of authority for each account signature and any amendments to mandates.

Explanation 2

The RFO identified that three of the Council's five bank mandate holders had continued to hold this role during the whole of 2022/23 despite no longer being connected with the Council. In addition, bank statements had continued to be posted to the former Parish Clerk & RFO throughout 2022/23.

Arrangements to remove the three individuals from the mandate, add two additional Councillors to the mandate and post future bank statements to the RFO's address were approved by the Council at its meeting in May 2023. The RFO will recommend that an amendment be made to the Council's internal controls checklist to include a check on the adequacy of the Council's bank mandate arrangements in advance of the planned work to be undertaken in 2023/24.

Assertion 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.

Background 3: Practitioners' Guide (March 2022) (Sections 1.22 & 1.25)

All authorities' actions are controlled by statute. Therefore, appropriate decision-making processes need to be in place to ensure that all activities undertaken fall within an authority's powers to act. Authorities need to have robust procedures in place to prevent any decisions or payments being made that are ultra vires, i.e. that the authority does not have the lawful power to make. The exercise of legal powers needs always to be carried out reasonably. For that reason, authorities making decisions need always to understand the power(s) they are exercising in the context of their

decision making. An authority needs to have satisfied itself that it has not taken any decision during the year, or authorised any action, that exceeds its powers or contravenes any laws, regulations, or proper practices.

Explanation 3

An extension of time to submit the Council's AGAR for 2021/22 was requested on 30 June 2022. This was granted and the Council's submission was received by the external auditor on 18 July 2022. However, PKF Littlejohn LLP, as external auditor, confirmed that it did not have any powers to amend statutory deadlines including the statutory approval deadline of 30 June 2022. Consequently, as the Council was unable to meet to approve the AGAR before the end of June 2022, it had not met its statutory requirements for 2021/22.

At the new RFO's request and in order to comply with the deadline of 30 June 2023, the Council has agreed to meet in June 2023 to approve the AGAR for 2022/23.

The RFO identified that the Council had not complied with the Accounts and Audit Regulations 2015, the Local Audit (Smaller Authorities) Regulations 2015 and the Transparency Code for Smaller Authorities (TCSA) as it had not published the required documents relating to 2021/22 on its web site. The mandatory deadline was 30 June 2022. In addition, the TCSA requires the Council to publish draft minutes of its meetings not later than one month after the meeting has taken place. Of the six meetings in 2022/23, draft minutes of the meetings which took place in May and July 2022 had been published following a period of greater than one month and those for October and November 2022 had not been published by the Council on its web site.

Following the approval of the AGAR for 2022/23 at the planned meeting in June 2023, the RFO will make arrangements for the following documents to be published on the web site by 30 June 2023:

Certificate of Exemption; Annual Internal Audit Report; Annual Governance Statement; Explanation of Negative Responses; Accounting Statements; Restatement of Previous Year's Accounting Statements; Explanation of Variances; Bank Reconciliation; All Items of Expenditure Above £100 (TCSA only); and Asset Register (TCSA only).

In addition (TCSA only), the Parish Clerk will make arrangements for the *List of Councillor or Member Responsibilities* to be published on the web site by 30 June 2023 and for the future timely publication of draft minutes not later than one month after the meeting has taken place.

Approved minutes confirmed that a Member of the Council submitted his resignation at the Council's meeting in July 2022 and that he was to remain as Chairman for a further month. In accordance with the Local Government Act 1972 (Section 84), a Member's resignation shall take effect upon the receipt of the notice by the person or body to whom it is required to be delivered.

The new Parish Clerk is available to provide advice on the future occasion of a Member's resignation.

Assertion 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.

Background 4: Practitioners' Guide (March 2022) (Sections 1.27)

The authority provided for the exercise of public rights is set out in Sections 26 and 27 of the Local Audit and Accountability Act 2014. Part 5 of the Accounts and Audit Regulations 2015 requires the RFO to have published, including on the authority's web site or another web site, Sections 1 and 2 of the Annual Governance and Accountability Return, a declaration that the status of the statement of accounts is 'unaudited', and a statement that sets out details of how public rights can be exercised, as set out in Regulation 15(2)(b), which includes the period for the exercise of public rights.

Explanation 4

The RFO identified that, as the formal notice and supporting mandatory documentation had neither been published nor published at the right time, the Council had not given formal opportunity for any interested persons to inspect and ask questions about the Council's accounts for 2021/22.

The new RFO has taken responsibility for the Council's future financial publishing obligations.