

# **Ansdell & Fairhaven Parish Council**

## **Annual Governance Statement 2025-26 - Explanation of Responses**

Reasons are preceded by the paragraph number in the Proper Practices to which they refer. The “Proper Practices” consist of Sections 1 & 2 of the *Practitioners’ Guide 2025 – Governance and accountability for smaller authorities*.

It is worth quoting from the introduction to the Internal Auditor’s report:

*“It should be mentioned at the outset that the Parish Council was established in May 2025 and this is the first audit to be undertaken. As such, it is reasonable to expect that some policies, procedures and processes are not fully implemented. In addition, the Parish Council have been without a permanent Clerk/RFO for approximately half of the municipal year, which can create governance breaches such as, lack of statutory policies, impartial advice and the provision of information required for effective decision making and implementing the decisions of the Council.”*

### **Assertion 1**

1.8 Although a budget was in place for the year 2025-26, actual performance against this budget was not monitored during the year. The Internal Auditor states that a budget comparison should be completed quarterly. Without a permanent Clerk in place for much of the year, the Council lacked the staff to prepare these exercises with the necessary frequency. The current Clerk was appointed on 20<sup>th</sup> March 2026 and began work on 8<sup>th</sup> April 2026. With the post now filled, the Council is aware of the quarterly requirement. Budget comparisons will be prepared for Council (or the Finance Committee) on that basis, with the first being due in July.

1.9 In the absence of a permanent Clerk, the Chair of the Council was appointed to act as Clerk from September until March.

The prohibition of this arrangement in the Proper Practices was a new addition to the Practitioners’ Guide in 2025. It is evident that no-one involved in the running of the Council was aware of that change, although advice from reputable sources was diligently obtained at the time. Specifically, there is documentary evidence that the Council sought advice from the local County Association of Local Councils, LALC, on how to appoint the Chair as an Interim Clerk and Proper Officer.

It is well understood that the appointment of any councillor as an unpaid Clerk is always a last resort, and never an ideal situation. However, it is understandable that the particular prohibition against the Chair acting in this way was not known to those involved. The Council was only a few months old, so the councillors had not been

performing their own role for long at all. Although they were consulted, the local County Association was apparently unaware of the new restriction. Another indication is that the current Clerk, who has worked in the parish & town council sector for nearly 4 years, was also unaware of it, until he did the work to prepare the Annual Governance Statements.

In any case, there is evidently no risk of the problem repeating. A permanent Clerk is now in place, and the Council will be made aware of the restriction for future reference, when approving its Annual Governance Statements.

Another issue under this paragraph is that the accounting records were not kept up to date throughout the year. Again, this was due to a lack of staff, and relying on unpaid volunteer councillors who were pressed with other commitments. The accounts are now updated to 31 March 2026. Once the Year End audit is completed, the Clerk will update the accounts for the first quarter of the current financial year, to prepare for a budget comparison in July, as stated above. With a permanent Clerk in place, it will then be a routine matter to keep the accounts regularly updated.

1.10 The Internal Auditor states that *“There is no evidence that bank reconciliations were carried out during the year under audit.”* That is a slight over-statement of the problem. There is a minute from the Council meeting on 4<sup>th</sup> September 2025 (Min 69/25) which demonstrates that one bank reconciliation was successfully done. A Year End bank reconciliation will also be performed at the meeting scheduled for 29<sup>th</sup> June 2026, at which these Annual Governance Statements will be considered.

Still, that is evidently not sufficient to satisfy the Proper Practices, nor the council’s financial regulation 2.6, which states that the exercise must be done quarterly. Accordingly, the current Clerk will arrange for a quarterly bank reconciliation in the future, beginning in July 2026.

1.13 There is currently no General Reserves Policy in place. The Council intends to consider and adopt one prior to the drawing up of a budget for financial year 2027-28. So, it can be expected this policy will be adopted by September 2026.

## **Assertion 2**

1.14 Although financial regulations were adopted, they were not always adhered to. In particular, there was not always an appreciation of when larger purchases and payments needed to be authorised by a committee or the Council itself. Financial regulation 5.15 governs who can authorise purchases and financial regulation 6.8

determines what payments the Clerk can authorise under delegated authority. There are clear limits to when the Clerk can act alone, or act purely in consultation with a specified councillor (the Chair of the Council or a committee). Occasionally, purchases and payments were authorised which exceeded these limits, and so should have been approved and minuted by a committee or the Council.

The Clerk is able to authorise larger payments to comply with due dates, if they certify that “*there is no dispute or other reason to delay payment*”. However, in that case the payment should be reported to the next meeting of the Council. There are cases where that was not done or, if done, it was not minuted.

The current Clerk is fully aware of the regulations and will apply the limits to his own authority.

### **Assertion 3**

1.25 The Council has taken advice about this Assertion from its local County Association, LALC, supplied via its Internal Auditor. The advice is that the Council should answer “No” to this assertion.

Paragraph 1.25 is not complied with if the council has contravened “*any laws, regulations or proper practices*”. The council is not aware of having contravened any law or regulation, but as evidenced by its other answers on the AGAR, it has certainly contravened other proper practices. Therefore, the Council is in the position of having to answer “No” to Assertion 3 purely because it has answered “No” to other assertions.

This would not seem to provide anyone with new, useful information. It would make more intuitive sense if the assertions were all materially independent of each other, so that each one tested a distinct area of operations or practice. The Internal Auditor agreed with this opinion concerning the usefulness of the assertion, but advised: “*On the basis that Assertions 1 and 2 are a No, then I would suggest that 3 must also be a No, as it mentions Proper Practices...*” She consulted the County Association and received essentially the same advice.

Improving the answer to this assertion is therefore a matter of improving performance in relation to all the other assertions.

### **Assertion 4**

The Council has answered “Yes” to this question, because there is no facility for providing a response of “Not Relevant”. The Council was not obliged to provide a period for the exercise of public rights in 2025, because it was the first year of the Council’s operation. There were no accounts from 2024-25, because the Council did not exist.

### **Assertion 5**

1.31 The Council has no overall financial and operational Risk Assessment in place. However, the Clerk has produced a first draft and circulated this to councillors. The Council is considering the establishment of a Governance Committee, to streamline the generation, consideration and adoption of multiple governance documents. If established, this committee may take up the task of finalising the Risk Assessment. Otherwise, the Council will complete the task.

1.32 Without an overall Risk Assessment, the Council has not documented its measures for addressing risk, either. However, it should be noted that the Community Day and Christmas Lights Switch-On events were supported by event-specific risk assessments, and the Council is properly insured for public and employer's liability and fidelity guarantee.

The Internal Auditor has highlighted that the Council's physical assets are not covered for damage or loss under the existing policy. The Council does not yet hold very substantial assets, with the biggest item (by replacement value) being some old Christmas street lights inherited from a wound-up community organisation. Nevertheless, the Clerk will pursue upgrading the Council's coverage.

### **Assertion 7**

The Council has answered "Yes" to this question, because there is no facility for providing a response of "Not Relevant". The Council did not receive any reports from internal or external auditors in 2025-26, because it was the first year of the Council's operation. There were no accounts or operations to audit, because the Council did not exist the previous year.

### **Assertion 10**

1.50 The Council has no Publication Scheme in place.

1.51 The Council has no Data Protection policy in place.

1.54 The Council has no IT policy in place.

The Council is considering the establishment of a Governance Committee, to streamline the generation, consideration and adoption of multiple governance

documents. If established, this committee may take up the task of composing all of the above documents. Otherwise, the Council will complete the task.