

Section 1 – Annual Governance Statement 2020/21

We acknowledge as the members of:

Stone Town Council

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2021, that:

	Agreed			'Yes' means that this authority:
	Yes	No*		
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.		✓		prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓			made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
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.		✓		has only done what it has the legal power to do and has complied with Proper Practices in doing so.
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.		✓		during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
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.	✓			considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓			arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓			responded to matters brought to its attention by internal and external audit.
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.	✓			disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A	has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.
	✓			

*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

08/07/2021

and recorded as minute reference:

C22/018

Signed by the Chairman and Clerk of the meeting where approval was given:

Chairman

Clerk

www.stonetowncouncil.gov.uk



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Explanation of “No” answer to assertion 1 on the Annual Governance Statement 2020-21: “We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.”

The accounts will be submitted on Friday 9th July 2021 and the public rights period commenced on the next working day, Monday 12th July 2021. This does not comply with the Accounts and Audit Regulations in respect of the deadline for accounts submission or the timetable for the public rights period.

The AGAR, together with the Council’s final accounts report for 2020-21, was included on the agenda for the Council meeting on 29th June 2021 and all of the papers circulated with the agenda. The AGAR was planned to be submitted on 30th June 2021, with publication on the Council’s website the same day and the public rights period starting on 1st July 2021. This was in accordance with the Regulations.

On the morning of the 29th June 2021 meeting, the Council were informed of a Covid risk due to the possible infection of a member of staff at the location where the meeting was planned to be held. Unfortunately, due to the legal requirement to give three clear days notice of a change in venue, the only reasonable option open to the Council was to postpone the meeting.

The Council meeting was rearranged for the evening of Thursday 8th July 2021. Following approval of the accounts at that meeting they will be published on the Council’s website and submitted to the Council’s External Auditors on Friday 9th July and the public rights period will commence the next working day (Monday 12th July).

This cancellation was, however, beyond the Council’s control due to the need to put the health and safety of the councillors, staff, and members of the public that would have attended this meeting first. If it were not for this necessary cancellation, the Accounts and Audit Regulations would have been complied with.

Whilst it has been necessary to answer “No” to this question due to the late submission of the accounts, it is the Council’s view that “arrangements for effective financial management during the year, and for the preparation of the accounting statements” are in place in all other respects and the answer would have been “Yes” if the 29th June 2021 Council meeting had not been unavoidably delayed.

For your further information:

1. The accounts were actually finalised in May, with the accounts report finalised and the AGAR page 5 signed by the Clerk on 27th May 2021. The final internal audit meeting took place on 7th June 2021 and the AGAR page 3 was signed by the Internal Auditor on that day.

2. The Council meeting to consider the accounts was already delayed from its usual early June date until 29th June 2021 as a deliberate measure to hold it after the planned lifting of Covid regulations on 21st June 2021. This was largely due to a concern over being able to make sufficient, safe provision for public attendance. While broadcasting previous online meetings on YouTube, public interest in the Council had increased considerably, with over 200 views for a meeting being common and a peak viewing figure for a meeting of 650. The number of members of the public that would choose to attend this first face to face Council meeting following the removal of government permission to hold online meetings was therefore very uncertain, and potentially unmanageable in a Covid safe way prior to the (then) anticipated lifting of restrictions on 21st June. When the restrictions were not lifted on 21st June, however, it was decided to proceed with the meeting anyway with appropriate measures for Covid safety.

Explanation of “No” answer to assertion 3 on the Annual Governance Statement 2020-21: “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.”

As stated in the commentary regarding assertion 1 above, the accounts will be submitted on 9th July 2021 and the public rights period commenced on 12th July 2021. This does not comply with the Accounts and Audit Regulations in respect of the deadline for accounts submission or the timetable for the public rights period.

The commentary regarding assertion 1 above explains that the reason for this delay was the last minute cancellation of the Council meeting at which the accounts were due to be considered due to a Covid risk at the proposed meeting venue beyond the Council’s control, and the legal restriction on being unable to change the location of the meeting without giving three clear days notice.

Whilst it has been necessary to answer “No” to this question due to the late submission of the accounts, the Council believes that in all other respects it has taken “all reasonable steps to assure itself 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” and that the answer would have been “Yes” if the 29th June 2021 Council meeting had not been unavoidably delayed.

Whilst accepting that the Accounts and Audit Regulations have not been complied with as a result of postponing the meeting, the Council’s view is that holding the meeting in order to ensure that the Regulations were met would have presented an unacceptable risk to the health and safety of the councillors, staff, and members of the public that would have attended.

Explanation of “No” answer to assertion 4 on the Annual Governance Statement 2020-21: “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 external audit of the 2019-20 accounts pointed out that:

“In undertaking the review of the 2019/20 Annual Governance and Accountability Return it came to our attention that in 2020 the Council has not met the requirements of the 2015

Accounts and Audit Regulations to start the period of 30 working days for the public to inspect the accounts the day after the AGAR was published and to do so as soon as possible after it was approved. In 2019/20 the AGAR was published on 20 August 2020 but the public rights period did not start until 24 August 2020. The Council should ensure that in 2020/2021 they comply with the Regulations and respond no to the relevant assertion (assertion 4) in its Annual Governance Statement.”

The 2019-20 AGAR was therefore formally available to the public on Thursday 20th August 2020, two working days (four calendar days) before the start of the public rights period on Monday 24th August 2020, rather than the public rights period commencing the day after the AGAR was published as required by the Accounts and Audit Regulations.

For 2020-21, the public rights period was be planned to start on the day following publication of the AGAR, in accordance with the Regulations.

As a result of the unavoidable delay to the Council meeting referred to in the comments on assertions 1 and 3 above, however, the earliest possible day for publication of the accounts will be 9th July 2021. As this is a Friday, the public rights period will formally commence on Monday 12th July 2021, the next working day. Whilst this does meet the “next day” requirement of the Regulations it does not meet the timetable requirements, as set out in the answers to assertions 1 and 3 above.