

Section 1 - Annual Governance Statement 2021/22

Name of smaller authority: **Sleaford Town Council**

County area: **Lincolnshire**

Explanation of No responses to the Annual Governance Statements

No 2 We have maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption, and reviewed its effectiveness.

Response: No

Reason: The Council had no RFO in post from 7 February until 31 May. Although the experienced office staff continued to maintain adequate financial management, the absence of an RFO removed an essential level of scrutiny.

In mitigation, there was a change of Clerk/RFO during the year as well as the replacement leaving unexpectedly with no notice in February 2022. Also, the initial recruitment process following the resignation, did not identify a replacement with the required level of skills and experience.

In resolution, in addition to the existing Deputy Clerk, and until a permanent Clerk/RFO is employed, the Council has appointed a councillor as the Proper Officer (unpaid) and employed an experienced RFO on an interim basis. The Council has also made use of organisations such as SLCC to advertise the vacancy to a wider audience. To ensure that the current and previous year's financial statements and supporting figures were accurate and included all relevant transactions, the interim RFO has carried out an extensive review of the accounting software entries for the current and previous financial year. Any identified discrepancies and errors have been documented, corrected where possible and presented to Full Council with a detailed explanation. Also, additional training and support for all users of the accounting software (EDGEAdvant) has been arranged, and Council Members have been briefed on how to interpret the presented reports and the detailed level of scrutiny required.

No 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.

Response: No.

Reason: The Council had no RFO in post from 7 February until 31 May. Although the experienced office staff continued to operate in line with the relevant regulations, the absence of a Council RFO over this period did not meet the requirements of Proper Practices. The Council also held remote Meetings of the Full Council after 7 May 2021.

In mitigation, there was a change of Clerk/RFO during the year as well as the replacement leaving unexpectedly with no notice in February 2022. Also, the initial recruitment process following the resignation, did not identify a replacement with the required level of skills and experience. Due to a high number of Covid-19 cases in the local area, and the need to protect vulnerable staff and councillors, the Council resolved that it was safer to hold the May and June 2021 Meetings remotely.

In resolution, in addition to the existing Deputy Clerk, and until a permanent Clerk/RFO is employed, the Council has appointed a councillor as the Proper Officer (unpaid) and employed an experienced RFO on an interim basis. The Council has also made use of organisations such as SLCC to advertise the vacancy to a wider audience. To ensure that the current and previous year's financial statements and supporting figures were accurate and included all relevant transactions, an in-depth review of the entries on the accounting software has been carried out, additional training has been arranged for users, and Council Members have been briefed on how to interpret the presented reports and the required level of scrutiny. All of the decisions made by Full Council at the remote Meetings held after 7 May, were ratified at the first in-person Full Council Meeting (Minute Ref: 2021.07.21.8a).

No 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.

Response: No.

Reason: Although the Risks were reviewed and amended during the 2021/22 financial year, this was done at the Meeting of a Panel and not Full Council. The Minutes of this Meeting were presented to Full Council with a report, there was no formal (and Minuted) Council review of the risks during the financial year 2021/22.

In mitigation, there was a change of Clerk/RFO during the year as well as the replacement leaving unexpectedly with no notice in February 2022. Also, the initial recruitment process following the resignation, did not identify a replacement with the required level of skills and experience.

In resolution, in addition to the existing Deputy Clerk, and until a permanent Clerk/RFO is employed, the Council has appointed a councillor as the Proper Officer (unpaid) and employed an experienced RFO on an interim basis. The Council has also made use of National organisations, such as SLCC, to advertise the vacancy to a wider audience. To ensure that the routine annual review of the Risk Register by Full Council is not overlooked in future, it will be timetabled in conjunction with set Meeting Dates.

No 6 We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.

Response: Yes.

Reason: In addition to the Annual Internal Audit carried out after 31 March 2022, an interim Internal Audit was carried out on the first two Quarters by a different person; report, dated 27 October 2021, shared with the auditor conducting the Annual Internal Audit.

No 7 We took appropriate action on all matters raised in reports from internal and external audit.

Response: No.

Reason: Although the Interim Internal Audit report was considered during the 2021/22 financial year, this was done at the Meeting of a Panel and not the Full Council. Although the Minutes of this Panel Meeting were included in a routine report presented to Full Council, there was no formal (and Minuted) Council review of the matters raised and no formal actions taken in-year.

In mitigation, there was a change of Clerk/RFO during the year as well as the replacement leaving unexpectedly with no notice in February 2022. Also, the initial recruitment process following the resignation, did not identify a replacement with the required level of skills and experience.

In resolution, in addition to the existing Deputy Clerk, and until a permanent Clerk/RFO is employed, the Council has appointed a councillor as the Proper Officer (unpaid) and employed an experienced RFO on an interim basis. The Council has also made use of National organisations, such as SLCC, to advertise the vacancy to a wider audience. To ensure that any matters raised by an internal or external audit are formally considered, actioned, and subsequently reviewed by Full Council, it will be timetabled in conjunction with set Meeting Dates.