

Ashburton Town Council Annual Governance Statement 2022-23
Clarification of No responses given

Assertion 1. Financial management and preparation of accounting statements.

We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.

Analysis

Financial accounts had not been approved due to financial inaccuracies detected from October 2022. Work has been ongoing to reconcile multiple historical errors (dating back to 2019) due to the incorrect use of the electronic accounting package and inadequate financial practices.

Mitigation

Previous practices were well established but have been challenged and changes were already underway prior to audit.

Suggested resolution.

Ashburton Town Council fully welcome the report from the Internal Auditor. Previous internal audits had not highlighted any significant concern.

Ashburton Town Council have and continue to support the new staff to undertake appropriate training who are keen to commence training to rectify outdated and non-compliant practice.

ATC have voted to write off the historical unresolved differences at the Extraordinary Full Council Meeting on 29th June 2023 (Minute note 136/23). This will enable the opening balance to reconcile with the bank accounts.

ATC are currently considering an alternative, more tailored accounting package better suited to Local Government.

Assertion 2. Internal Control.

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

Analysis

Standing Orders and Financial Regulations had not been thoroughly updated for many years. General financial operations are currently not well governed, especially with required signatory control of electronic banking. Financial risk assessment had not explicitly been undertaken but was considered within multiple policy documents. The Fixed Asset register remained unchanged for some time (no major capital purchases) and will be reviewed in this coming year.

Mitigation

Previous practices were well established and were not challenged within previous audits.

Practices have been challenged and changes were already underway prior to audit. Correct access to online banking and authority of signatories are currently being corrected.

Suggested resolution.

ATC have agreed to consider adopting NALC model Standing Orders and Financial Regulations. New staff are keen to review all policies and commence training to rectify outdated and non-compliant practice.

The new accounting package will rectify VAT inaccuracies.

A mid-term interim audit will be undertaken with the current auditor this year.

Assertion 5. Risk Assessment.

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.

Analysis

Errors were made with contracting of utilities in 2022-23. These have been investigated and legal advice sought regarding payment and possible reclamation of costs.

Mitigation

It was concluded that human error occurred, but it was not within the public interest to pursue damages or costs. All decisions and outcomes have been publicly communicated.

Suggested resolution.

Financial risk assessment will be in place and training for new staff will ensure compliant practice going forward.

Assertion 6. Internal Audit.

We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.

Analysis

Whilst ATC had acting on any advice arising from internal audit, previous internal audits had not raised any significant concern.

Suggested resolution.

Training for new staff will ensure compliant practice going forward.

ATC will continue to work closely with our current appointed internal auditor, and a mid-term interim audit will be undertaken this year.

Jacqui Bartram
On behalf of Ashburton Town Council

30th June 2023