

## **Explanations to the External Auditor where the responses on the Annual Governance Statement has changed from Yes to No**

Tattershall with Thorpe Parish Council acknowledge that responses 4, 6 and 7 have changed from Yes to No and provide the following explanations:

### **4. The Exercise of Elector's Rights**

Following the original Approval Meeting on the 7<sup>th</sup> June 2022, electors were not given the proper opportunity during the year for the exercise of public rights in accordance with the requirements of the Accounts and Audit Regulations. No notice was made available and no notice was published on the Council's website of the period when all interested persons could inspect and ask questions on the accounts.

The Council were led to believe this was responsibility of the previous Clerk and were not aware that this would not or had not taken place. The Council agreed in good faith that this had been and would in future be carried out by the Clerk.

The Council now acknowledge that the publishing of this notice is the responsibility of the RFO in accordance with the Accounts and Audit Regulations 2015. The Council also acknowledges to take responsibility in future to ensure that a notice of public rights is published and that provisions for inspection are made in accordance with any deadlines.

### **6. Internal Audit**

At the Full Council Meeting on the 5<sup>th</sup> April 2022, the previous Clerk informed the Council that an Internal Auditor had been appointed and documents will be submitted in due course (Minute Ref: 2022/188 f.).

At the Approval Meeting on the 7<sup>th</sup> June 2022 the Council read, resolved and signed the Annual Governance Statement and agreed that a competent independent person had carried out an Internal Audit without having seen any documentary evidence.

In addition, the Accounting Statements were not presented to the Council by the Clerk at this meeting and the RFO confirms that they did not see nor sign Section 2 to certify the accounts at any point before or during this meeting.

On approving and signing the Annual Governance Statement, the Council had taken the professional word of the Clerk as being true and accurate and had believed that an internal audit had taken place (Minute Ref: 2022/038 e. b).

Due to partial submission of the AGAR forms by the previous Clerk and a missing Annual Internal Audit Page, it was discovered by the new Clerk in October 2022 that no internal audit was ever carried out for the year ending 31<sup>st</sup> March 2022.

The previous clerk failed to provide any explanation about the internal audit when asked and withheld the 2021-2022 accounting and audit files for some months after their employment ended. The failure to undertake an internal audit was only confirmed after contact was made with the originally appointed internal auditor.

The Council now acknowledge that all Councillors should take responsibility for the financial management of the Council and that best practice is to always examine and read an Internal Audit Report before approving and signing the Annual Governance Statement, especially to ensure that such a critical process has actually been completed.

## **7. Appropriate Action**

The Council did not take appropriate action on all matters raised in reports from internal and external audits as no internal audit report was neither examined nor completed. Pages from the previous year's audit were also missing and presumably never examined.

The Council took the professional word of the Clerk as being true and accurate and believed that all matters had been brought to their attention. Prior to the approval meeting on the 7<sup>th</sup> June the Council did not request to see or examine any documentation to verify that an Internal Audit had taken place.

The Council now acknowledges that all Councillors, especially the Chair and the RFO should ensure that an Internal Audit Report is examined before approving and signing the Annual Governance Statement.

It is also noted that the previous Clerk had a professional responsibility to bring any audit related matters to the Council's attention, which clearly failed to occur with non-completion of the internal audit and numerous reminders for late submission of the external audit which were not brought to the attention of the RFO or the rest of the Council.

**The Council's submission to the external auditors also includes the internal auditors report as an explanation as to why the Council did not comply with Internal Control Objective B due to missing invoices being retained by the former Clerk at the time of the internal audit.**

These explanations were approved at the Full Council Meeting on 6<sup>th</sup> December.