

**MINUTES OF AN EXTRA-ORDINARY MEETING OF STAPELEY & DISTRICT PARISH COUNCIL  
HELD ON 5 JULY 2021 IN STAPELEY COMMUNITY HALL,  
PEAR TREE FIELD, STAPELEY**

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<b>PRESENT:</b>	Councillor M Theobald	Chairman
	Councillor M Docker	
	Councillor J Gibbs	
	Councillor P Groves	
	Councillor J Hillman	
	Councillor K Nord	
<b>APOLOGIES:</b>	Councillors J Davenport and S Ford	
<b>ABSENT:</b>	Councillors G Gwinn and A Jacobs	

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**36 DECLARATION OF INTERESTS**

Members were invited to declare any disclosable pecuniary interest or non-pecuniary interest which they had in any item of business on the agenda, the nature of that interest, and in respect of disclosable interests, to leave the meeting prior to the discussion of that item.

No declarations were made.

**37 ANNUAL ACCOUNTS – 2020-2021**

At its meeting held on 21 June 2021, the Parish Council approved the accounts for 2020-2021 which had already been submitted to the Internal Auditor.

Approval of the accounts at that meeting did not follow the correct procedure. The Regulations required that the Council should carry out a review of the effectiveness of the system of internal control, and then -

- a) Consider the findings of the Internal Auditor's report;
- b) Approve the Annual Governance Statement by resolution (page 4 of the Annual Governance and Accountability Statement [AGAR] ). This must be prior to approval of the Accounting Statements;
- c) Approve by resolution the Accounting Statements (page 5 of the AGAR).

Procedures (b) and (c) could be carried out at separate meetings, or at the same meeting, but must be in the order indicated. Therefore, notwithstanding that the Council had already approved the accounts for 2020-21, it must now repeat that process in view of the correct procedure not having been followed.

Subsequent to the meeting held on 21 June 2021, the Clerk realised that there had been a calculation error on page 5 of the AGAR. Box 6 indicated that '*other payments*' amounted to £16,994, but the correct figure was £18,499. The Clerk had been able to send a revised page 5 to the auditor prior to his audit. Had the correct procedure been followed on 21 June 2021, this error would not have invalidated the approval of the accounts.

The Clerk collected the accounts on 1 July 2021 and a copy of the revised AGAR was now submitted, together with the Internal Auditor's report.

**37.1 INTERNAL AUDIT – JDH BUSINESS SERVICES LTD.**

**37.1.1** The Parish Council was invited to give responses to the points raised. The schedule had been annotated to include the Clerk's comments on the various recommendations.

On the basis of the internal audit work carried out, the Internal Auditor's view was that the Council's system of internal controls was in place and adequate and effective for the purpose intended, subject to the recommendations in the Internal Audit report. These would be reviewed as part of the internal audit in 2021-22.

The recommendations in the action plan were as follows:

#### Issues during 2020-21

- Item 1: Year-end bank reconciliation was 'out' by £3.42. The Clerk had subsequently carried out a manual re-calculation, which revealed the error as a mis-calculation.
- Item 3: The risk assessment was not approved by the Council during 2020-21.
- As this would require a 'No' response on the Annual Governance Statement 2020-21, an explanation would need to be provided to the External Auditor (PKF Littlejohn plc), to the effect that at its meeting held on 15 February 2021, a risk assessment schedule had been submitted to the Parish Council but had not been approved as Members were of the view that it was incomplete and a more meaningful schedule needed to be prepared. Two councillors with experience in preparing risk management strategies had undertaken to produce this for the March meeting (which would have been within the financial year) but this was not available at that meeting.

Therefore, whilst the risk assessment/management strategy had not been approved during the financial year, the Parish Council was keen to stress that it was *reviewed* and would be approved later in the year.

#### Follow-up of Issues from 2019-20

- No voucher provided for a donation. The Clerk had provided an explanation in the accounts for 2019-20. When collecting donations, the Parish Council is required to obtain a licence from the Borough Council. The donation made was unsolicited during a community event held at the Community Hall, following the death of Jo Cox, MP.

The donation was collected by a former councillor.

The recommendation was that the Parish Council must ensure that there is written confirmation for all donations.

- VAT Re-claim

There had been no reclaimed or received VAT during the financial year.

The Clerk had submitted a claim for the two years 1 April 2018 to 31 March 2020 (£4,208.71). This was not received in the Parish Council's bank account and the Clerk followed up with HMRC. She was informed that the VAT form used was out-of-date and that the address it was sent to was also incorrect.

The Clerk undertook to update the Parish Council later in the year.

#### Follow-up of Issues from 2018-19

- Reserves

There had been no disclosure of the actual year-end split between earmarked reserves for the Community Hall and general reserves. It was important to ensure that the Council could evidence that general reserves were not excessive.

This would be addressed during 2021-22.

**37.1.2 Review of the Effectiveness of Internal Audit**

The Parish Council was asked to review the effectiveness of the internal audit process using page 1 of the Internal Auditor's report as the checklist against which the process should be judged.

**RESOLVED:** That the Internal Audit report showed that a robust audit had been carried out, and the audit had been effective with all requirements being met.

**37.2 SECTION 1 - ANNUAL GOVERNANCE STATEMENT 2020-2021**

The Parish Council considered assertions 1–9 as it was the Council's responsibility to ensure that there was a sound system of internal control including arrangements for the preparation of the accounting statements.

**RESOLVED:** (a) That the Annual Governance Statement 2020-21 be approved subject to a 'no' response to be given in assertion 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.'*); and

(b) That, as noted in Minute No. **37.1.1** above (Issues raised during 2020-21) an explanation would be provided to the External Auditor.

**37.3 SECTION 2 – ACCOUNTING STATEMENTS – 2020-2021**

**RESOLVED:** That the Accounting Statements 2020-21 be approved.

.....,Chairman

The meeting commenced at 6.30 pm and concluded at 7.00 pm