

**Walberswick Parish Council of Suffolk County**  
**Explanatory Sheet to Accompany Section 1 – Annual Governance Statement**  
**2017/18** (2 pages)

*This additional sheet provides an explanation for the external auditor of the rationale for each of the answers on the Annual Governance Statement. Although we understand that an explanation is only required when answering “no”, the Council felt that it was important for our own understanding and good practice to be clear how we arrived at all answers.*

1. **Yes.** The Council noted that there were short-comings at the start of the fiscal year, as pointed out by the BDO Issues Arising Report. In particular, IAR noted errors in relation to the budget and precept process that carried over into 2017/18. The IAR said that the Council failed to prepare a budget by the statutory deadline and that the Council failed to request a precept from the Principal body although the principal body did pay a precept to the Council. The IAR stated that, because of this situation, no budget was in place for 2017/18 and that, at the time of the external audit, proper budget monitoring had not taken place during the year since there was no formal agreement to support the payments made. However, the Council did take steps to redress these short-comings by comprehensively reviewing the budget situation in September 2017 and confirming baselines and readjusting expense categories which were subsequently used going forward. In addition, the SALC internal audit report takes a different view from the BDO, stating that the Council did take a decision on the budget and the precept at its meeting on 23 November 2016. Finally, learning from experience, the Council also laid the basis for a robust budget and precept setting process for 2018/19. The internal audit report also notes that appropriate accounting statements have been prepared, further supporting the answer “yes”.

2. **Yes.** Adequate systems were in place in the view of the Council and based on the assessment of the SALC internal audit report that confirms the same.

3. **No.** This ‘no’ arises from the council meeting held on 12 March 2018. The hard copy Notice of meeting was posted on the Notice board with the required 3 clear days. However, because of human error and technological issues with the website, the electronic posting of the same meeting agenda and accompanying papers was inadvertently posted one day short of 3 clear days. The Council sought advice from SALC and the external auditor on how best to handle this situation. Based on the guidance provided and its own considerations, the Council went forward with the meeting, but with the proviso that we would take note of this inadvertent timing error by answering ‘no’ on question 3 of the AGAR with this explanation. Going forward from March 2018, the Council has revamped its process for setting agendas and posting of documentation with an earlier cut off date for agenda items, including appropriate written reports, and using a reorganised and better functioning website design and process to post notices and accompanying documentation.

4. **No.** This “no” is because in the Issues Arising Report (IAR) from BDO, the Council was made aware of two short-comings related to electors’ rights. The first was that the accounts were approved after the commencement of the inspection period and the second that the accounts, approved on 5 June 2017, were not correctly displayed on the website with the required notices to commence the electors rights period. The Council, in response to the IAR, has corrected these deficiencies for 2017/18 accounts with a far better understanding of the regulations and better processes in place.

5. **Yes.** As confirmed by the SALC internal audit report, the Council undertook the necessary risk assessments. It also undertook a comprehensive evaluation of insurance coverage and entered into a new 5-year policy.

6. **Yes.** This was confirmed by the SALC internal audit. The Council also introduced a process of having a non-signatory councillor carry out a review of the Council's financial administration that was subsequently published on the website.

7. **No.** The Council did take very comprehensive action in relation to the external auditors IAR. This included an extensive review of the report in February 2018, a detailed action plan that took on the BDO recommendations and also added additional steps to ensure better practice in future. The Council complied with all the requirements for public posting of necessary information and notices related to the IAR and Action Plan. However, in reviewing carefully the SALC internal audit report ending March 2018, the Council noted that there were two recommendations from previous internal audits on which the Council had not taken any action. These recommendations from the internal auditor will be actioned during the current fiscal year so that in 2018/19, we will be able to answer "yes" to this question.

8. **Yes.** There was nothing to disclose in terms of any litigation, liabilities or commitments, events or transactions known to the Council that would have a financial impact.