

## CHARLWOOD PARISH COUNCIL

### EXPLANATORY NOTES FOR BOX 2 AND BOX 9 – SECTION 1 - ANNUAL GOVERNANCE STATEMENT 2023/24

These notes provide the explanations for why the Parish Council had ticked 'no' to boxes 2 and 9 on Section 1 – Annual Governance Statement

**Box 2** – The Parish Council were not following their Financial Regulations in their entirety, the sections that were not adhered to are:

2.2. On a regular basis, at least once in each quarter, and at each financial year end, a member other than the Chairman or a cheque signatory shall be appointed to verify bank reconciliations (for all accounts) produced by the Clerk. The member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the council. (\*See notes at the end\*)

6.4. Cheques or orders for payment drawn on the bank account in accordance with the schedule as presented to council or committee shall be signed by two members of council in accordance with a resolution instructing that payment. A member who is a bank signatory, having a connection by virtue of family or business relationships with the beneficiary of a payment, should not, under normal circumstances, be a signatory to the payment in question.

#### ACTIONS TAKEN TO RECTIFY

The Clerk/RFO drew these omissions to the attention of the Parish Council's Finance Working Group and raised it under agenda item 14. REPORT OF THE RFO/FINANCE COMMITTEE in the full Parish Council meeting of the 17<sup>th</sup> June 2024.

The Parish Council agreed the following actions:

1. A Councillor standing on the Finance Committee has been appointed to take responsibility for verifying the bank reconciliations (for all accounts) produced by the Clerk and sign the bank reconciliations and bank statements on a quarterly basis. **June 2024 Minute Reference 188/24 14.5**
2. Two Councillors will be chosen on a rotational basis to sign orders for payments drawn on the bank account in accordance with the schedule presented to the full Parish Council at the monthly full Parish Council meetings in accordance with the resolution instructing that payment. The nominated Councillors will receive the payment schedule each month along with the relevant invoices and payment orders to enable them to perform a check of payments on the schedule. **June 2024 Minute Reference 188/24 14.5**

**Box 9** – The Parish Council ticked 'no' to box 9 as it was not aware that it was a sole trustee of a registered Charity. The Charity was set up prior to the current Councillors becoming Councillors and due to inadequate handovers from the previous incumbents neither the Clerk or the Chair were aware of the Charities existence. The Parish Council has therefore not complied with the Charities Commission's annual filing requirements.

#### ACTIONS TAKEN TO RECTIFY

The Clerk/RFO drew the omission to the attention of the full Parish Council and advised it will be on the agenda for the full Parish Council meeting on the 15<sup>th</sup> July 2024 for the Parish Council to retrospectively approve the following remedial action.

1. The Clerk to set-up a new Charities Commission online account.
2. The Clerk to submit the relevant reports.