Lydiard Millicent Parish Council AGAR Responses 2020/21

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

   RESPONSE: **No.**

   Lydiard Millicent Parish Council had a difficult year in 2020/21. All but one of the councillors resigned in December 2020 and Wiltshire County Council appointed a number of temporary councillors until there was sufficient representation from within the parish. New councillors were appointed following the elections in May and there are now 8 parish councillors with 3 vacancies. The events of 2020/21 (including the pandemic) may have impacted the effectiveness of the council.

   Accounting statements were produced in line with the Accounts and Audit Regulations, however:

   - expenditure was not monitored against budget during the year
   - ear marked reserves were not reviewed
   - VAT was not reclaimed for this financial year or the previous year

   Work is in progress to ensure that this is undertaken for this financial year and future years. This includes:

   - Revised Standing Orders in line with the NALC model guidelines (approved at the June Council Meeting)
   - A formalised and documented payment procedure to ensure that all payments are allocated to an agreed budget (scheduled for approval at the July Council Meeting)
   - Revised Financial Regulations in line with the NALC model guidelines (scheduled for approval at the September Council Meeting)
   - Formalised internal control procedure to ensure income and expenditure is monitored against budget and earmarked reserves are regularly reviewed (scheduled for approval at the October Council Meeting)

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

   RESPONSE: **No.**

   Lydiard Millicent Parish Council had a difficult year in 2020/21. All but one of the councillors resigned in December 2020 and Wiltshire County Council appointed a number of temporary councillors until there was sufficient representation from within the parish. New councillors were appointed following the elections in May and there are now 8 parish councillors with 3 vacancies. The events of 2020/21 (including the pandemic) may have impacted the effectiveness of the council.

   Bank reconciliations were undertaken during the year, however processes to ensure that all receipts were recorded and reconciled were not fully documented or robust.

Work is in progress to ensure that this is undertaken for this financial year and future years. This includes:

- Revised Standing Orders in line with the NALC model guidelines (approved at the June Council Meeting)
- A formalised and documented payment procedure to ensure that all payments are reconciled with budget and fully documented to aid reconciliation (scheduled for approval at the July Council Meeting)
- Revised Financial Regulations in line with the NALC model guidelines (scheduled for approval at the September Council Meeting)
- Formalised internal control procedure to ensure regular bank reconciliations are undertaken (scheduled for approval at the October Council Meeting)