

Corporate Governance Questionnaire
(for completion by the Council Chairman, not the Clerk / RFO)

BACKGROUND

The following questionnaire was sent to the Clerk as part of the supporting papers to be completed and returned for the Audit of Accounts 2016-17. It is a standard document, issued each year by the Council's 'internal auditors', on which the Chairman provides his responses to a series of questions.

These are 'personal' responses of the Chairman, and are circulated for information and to provide the opportunity for questions... thus providing yet another tier of scrutiny.

Chris Pottinger,
Clerk, Hannington Parish Council

Area	Response (please provide detail below or on supplementary pages)
<p>Please confirm whether or not Standing Orders and Financial Regulations are in place. If so, when were they last updated and formally adopted by the Council? (Please provide an electronic copy of both.</p>	<p>CONFIRMED: Standing Orders and Financial Regulations were approved by the Council at its meeting on 20th September 2016 to take into account the NALC Model issued in May 2016. Standing Orders: Amendments to paragraphs 24(v) in accordance with NALC Model issued May 2016, and 25 (h). Financial Regulations: Amendment to paragraph 1.6 and 6.3. <i>The amendments to the paragraphs are highlighted in red on the current Standing Orders and Financial Regulations that will be provided by the Clerk.]</i></p>
<p>Where original minutes are not provided for our examination, please confirm that each page of the master copy is signed or initialed by the Chairman at the subsequent meeting when they are approved.</p>	<p>CONFIRMED: The minutes are signed by the Chairman once approved at the subsequent meeting. Draft Minutes, i.e. seen by Cllrs but prior to sign-off at next Council Meeting, are circulated to residents soon after the Council Meeting. <i>[copies of approved Minutes for 2016/17 will be provided by the Clerk.]</i></p>
<p>Please provide detail of the approved precept</p>	<p>The Draft Budget 2016/17 including decision on</p>

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<p>and any Support Grant for 2016-17 and 2017-18, including a copy of the relevant approving minute.</p>	<p>Precept was agreed by Council 12th Jan 2016 [See Minute 3 (a)].</p> <p>The Draft Budget 2017/18 including request to BDBC for Precept and Grants was considered at the Council meeting 13th December 2016 [See Minute 12.c.]</p>
<p>Does the Council meet the criteria for adoption of the General Power of Competence and, if so, has it been adopted. Please confirm minute reference and date.</p> <p>If reliance is still placed on S.137, etc, when considering the approval of grants and donations to local (and other) bodies, are the relevant powers considered and formally minuted?</p> <p>Where detail of powers relied on is only set out on an agenda paper, please provide an example.</p>	<p>Reliance is still placed on S.137 etc. The Council has made one donation; providing financial support to the parochial church for the sum of £250 towards the churchyard maintenance costs. This compares directly with the £200 Specific Grant paid by BDBC. Provision for the grant at £250 was included in the Budget 2016-17 and its payment was approved 13th December 2016 by Minute para 12.c.11.</p> <p>[Copies of Minutes will be provided by the Clerk.]</p>
<p>Please confirm that all internal and external audit reports are presented to and agreed by members, also with agreement on the actions to be taken to address any issues identified. Again, please provide detail of the relevant meeting and minute reference.</p>	<p>CONFIRMED.</p> <p>The Internal Audit Statement 2016-17, dated 4th June 2016 was circulated via email to Cllrs soon after receipt and was formally reported to Council on 20th September 2016; the first Council meeting after its receipt. [Minute 19.a.ii]</p> <p>The external auditor's report was formally received 21st September, the date after the September meeting, but its draft/final findings and recommendations had been the subject of email correspondence between the Clerk and Cllrs. Accordingly, the detailed Minute 19.a.i of 20th Sept December 2016</p> <p>[Copies of Minutes will be provided by the Clerk.]</p>
<p>Has the Council reviewed an updated version of the financial risk assessment and formally approved its re-adoption (Governance and Accountability Manual – 2014 refers)?</p>	<p>CONFIRMED</p> <p>Council Meeting 20th Sept received a copy of the latest Risk Register that took into account the changes that had been agreed in 2015-16. Minute 9.a records, "The Council AGREED the Risk Register, without further amendment"</p> <p>At the same time, the Council NOTED that risk related issues with regards to the Village Green (agenda item 16) and Events/Village Fair (17.d) were dealt with elsewhere on the agenda, which <u>might</u> require changes to the Risk Register at a later date.</p>

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<p>When approving payments for release, do those members signing cheques examine and sign / initial individual invoices. Please provide a brief description of the approval process from receipt of invoice through to release of funds, on a separate sheet.</p>	<p>The position has not changed since 2014/15 except in the names of the Cllrs authorised to sign cheques following the May Elections 2015. Invoices are certified by the Clerk, unless there is a potential conflict of interest eg Clerk's salary, Clerk's expenses claim. Cheques are signed by two designated signatories; Cllrs. Supporting paperwork (generally invoices) are always provided and checked by those signing the cheques with both the cheque, paperwork and the cheque stub being signed/initialed as evidence of approval. The Clerk is NOT a designated signatory.</p>
<p>Are <u>all individual</u> payments by direct debit, bankers' standing order or internet, if in use, similarly examined and approved for payment by members? Please provide detail of the controls in place over such payments, where different to those for cheque payments.</p>	<p>The Parish Council does not make any payments electronically. <u>December 2013 - Min 10d</u> <i><u>Electronic Payments</u> – Cllrs noted the recent advice from HALC that Parish Councils could in future make electronic payments. However, Cllrs noted that the Council makes so few payments in a year and that the introduction of internal controls necessary to safeguard payments and to reduce risk of fraud would be disproportionate, and so agreed to continue to make payments by cheque</i></p>
<p>Does the Council / a nominated member review the detail of bank reconciliations routinely throughout the year and verify detail to underlying cashbooks and bank statements (Governance and Accountability manual refers)?</p>	<p>The Parish Council makes very few payments in the year, enabling the Financial Statement and Bank Statement to double up as the 'cashbook'. At each of the FOUR meetings in the year, the Agenda includes a Financial Report. This FR is supported with a spreadsheet analysis of all payments made to date shown in each of the relevant four periods (together with a projection of any payments estimated still to be paid by the end of the year.) The statement includes opening and closing cash balances (actual to date and projected at year end). The Actual cash balance shown on the spreadsheet is reconciled to the extract of the bank statement for the period covered e.g. from Feb 2016 (prior year) through to date of Council meeting. <i>[A copy of example Financial Report can be provided by the Clerk]</i></p>
<p>Please provide a brief description of the approach taken to the preparation and approval of the Annual Budget and Precept.</p>	<p>Financial Statements comparing actual spend to date and planned spend for the remainder of the year against each of the subjective headings are presented by the Clerk to the PC at each meeting. This statement is also summarised for the December – Budget Setting meeting where information showing: - i) actual spend compared with Budget spend for the previous year; ii) predicted spend compared with Budget for current</p>

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	<p>year, and iii) DRAFT Budget for the next year is discussed...</p> <p>Information received to date from the funding authority (BDBC) on their proposals for Precepts and Grants is also considered.</p> <p>This process results in an agreed Budget for the following year, with the necessary Grant and Precept requests. The PC does not usually have any other Income source apart from the refund of VAT payments incurred in the previous year.</p> <p>The Parish Council is seeking to maximize its access to additional funding and grants. An example is that during 2016-17 it has successfully obtained a specific grant to help towards the costs of meeting obligations under the Transparency Code for Smaller Authorities. The specific grant income and related planned expenditure is identified separately in the Financial Statements considered by the Council at its meetings.</p>
<p>Does the Council formally consider and approve the level of reserves (General and Earmarked Funds) to be carried forward to the next financial year? (Such consideration should be minuted formally).</p>	<p>YES.</p> <p>The Budget Report 2017-18 was supported with projections for the next two years 2018-19 and 2019-20 to make a three year Medium Term Financial Strategy. All the financial statements and Budget Forecasts include a projection of year end cash balances. To ensure the level of balances was given due consideration when agreeing the Budget 2017-18 and the Precept for that year, the Clerk included a section in the Budget report entitled "Comment on level of balances" paras 10 – 13 drawing particular attention to the Parish Council should be aware of the Government's concerns regarding excessive increases when considering the level of precept it is going to submit to BDBC.</p>
<p>Has a physical examination / verification of the Councils stock of assets been undertaken recently? If so, when and by whom?</p>	<p>YES.</p> <p>ALL Assets are in regular use and therefore scrutinized. As a result there were two changes to the content of the Asset Register in Sept 2016 (Minute 19.b. A report is being considered at the Council meeting Feb 2017 to consider any maintenance and repair is needed to the noticeboards in the Parish. The last major expenditure on capital items was the major rebuild of the Wellhead in 2014-15. Should the Council proceed with the purchase of IT equipment before 31st March 2017, expenditure was approved at</p>

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	the Dec 2016 meeting, these items will be added to the Risk Register as part of the Final Accounts 2016-17.
Do members consider formally whether these assets should be included on the Council's insurance schedule or be regarded as "self-insured"?	YES. The PC has a comprehensive insurance policy based on a detailed asset register.
Are asset values based on purchase cost net of VAT (where known)? Where detail of the purchase cost is unknown, asset values should be reported on the Annual Return at the same value as the previous year, except where new assets are acquired or disposed of.	The advice from the auditors 2013-14 was duly noted - see annual return for application of this accounting method. The value of the Wellhead was increased as at 31 March 2015 to allow for the costs (net of VAT) incurred in its rebuild. See comments made previously re the review of noticeboards and possible purchase of IT equipment.
Does the Council act as Sole or Custodial trustees of any charitable funds? If so, are the transactions excluded from the Annual Return financial detail at Section 2?	NO.

Certified by Chairman:

Date:

Name in full: