

COLLINGHAM *Parish Council*

ANNUAL RETURN for the year ended 31 March 2016

Section 1 - Annual Governance Statement 2015/16

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

Evidence:

- The accounting statements are prepared in accordance with the Accounts and Audit regulations. Copies have been circulated to all members. Hard copies are provided on request.
- Links to Governance and Accountability - a Practitioner's Guide (G & A) are circulated to all members, both new editions and updates. Hard copies are provided on request. Accounting documents are checked against G & A regulations and proper practice when changed or designed.
- The annual budget is discussed December /January in preparation for the setting of the precept.
- The budget is monitored against actual performance during the year and virements approved by the Parish Council prior to expenditure being made in excesses of the original budget code.
- Bank reconciliation is produced each month and is approved by a member of the council, before being presented to the next full council meeting. All supporting records and documentation are available for councillors and public to view at each and every meeting or upon request.
- Regular discussions are undertaken to ensure that monies are invested appropriately and in different financial institutions to minimize risk.
- Account statements can be prepared accurately and timely in compliance with statutory obligations and proper practices and are evidenced with the monthly reconciliations

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

Evidence:

- The Parish Council have appointed the Parish Clerk as the RFO
- Income and Expenditure is minuted at every Parish Council meeting.
- Direct debits and Standing orders agreed annually.
- Three signatories, required for every cheque and voucher. Each voucher is clearly marked with audit trail.
- Bank accounts only set up after approval at meeting and minuted.
- Change of bank account to enable more controlled internet banking. Both types of internet banking have appropriate policy and voucher system in place.
- The Standing Orders and Financial Regulations are reviewed at the Annual Meeting each year and changes made as required. If changes are required in the interim due to an issue being identified this is done at the next available Parish Council meeting.
- A Financial risk register has been produced and is reviewed at the Annual Meeting. Actions to reduce risk are undertaken as appropriate through the year and the risk register updated accordingly.
- An internet banking policy is in place to prevent fraud and has been reviewed following the change in main bank provider. The new bank provides better controls for the prevention of error and fraud, with 3 signatories required for each transaction.

- A resolution was passed prior to the setting up of the new bank account. Agreement is sought before transferring amounts from one account to another.
- All bank mandates are agreed prior to being set up or amended and then reviewed annually
- The list of signatories is reviewed at each Annual Meeting. Whilst section of the Local Government Act 1972 which requires two signatories has now been repealed, Collingham Parish Council has and intends to retain 3 signatories for the foreseeable future
- The annual appraisal is carried out in advance of the precept setting and agreed along with any salary increase by the full Parish Council, up to 5 months before being received by the employee
- Salary and payroll is run through the HMRC website "Basic tools" to ensure that the Parish Council has complied with its statutory duties under employment legislation. In order to meet its pension obligations the Parish Council has agreed its pension provider and is now enrolling its employee in the scheme ahead of the Staging Date in November 2016
- The Parish Council regularly (at least quarterly) submits a VAT claim to the HMRC using form "VAT126"
- The Parish Council maintains an asset register, listing all of the assets in its ownership and for which they are responsible for the maintenance/replacement. This is updated as new assets are acquired, or existing assets are sold or replaced. Any capital receipts are ring fenced as such and spent in accordance with Appendix A of the Local Government Act 2003 Section 16
- The Parish Council has no loans or long term liabilities

3. *We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and proper practices that could have a significant financial effect on the ability of the council to conduct its business or on its finances.*

Evidence:

- The Parish Council Copy of the "Arnold-Baker on Local Council Administration" is available at each and every meeting. Should a matter be discussed that is outside of the normal remit, the relevant pages will have been noted prior to the meeting and referred to during the meeting as required to ensure that all activities undertaken fall within the Parish Councils powers to act. This also ensures that the Parish Council has not taken any decisions during the year that exceeds its powers or contravenes any law, regulations or proper practices.
- Advice from NALC was sought on many occasions regarding proposals for capital expenditure, arising from revenue paid for sale of land.
- Regular checks on budget; underspends and overspends checked and explained before transfers made.
- There is a review of the Parish Council's Standing Orders and Financial Regulations, amongst other documents, at the Annual Meeting in May of each year.
- Internet banking policy to be reviewed annually unless required to be amended sooner due to change in circumstance/banking practice.
- Each agenda requests declarations of personal or prejudicial interests.
- All Councillors have signed Codes of Conduct. Training is provided by NSDC on the Code. It is recommended to all new Councillors that they attend training when it is available.
- The Parish Council does not currently exercise the general powers of competence.

4. *We provided proper opportunity during the year for the exercise of elector's rights in accordance with the requirements of the Accounts and Audit Regulations.*

Evidence:

- Notices were displayed for examination of accounts from 11 May 2015 to 12 June 2015 and October 2015
- Agendas are displayed at five noticeboards in the Parish, minutes are displayed on two noticeboards, on the website and a hard copy is kept in the reference section of Collingham Library. These are also available in large print on request. All documents are produced so that they are compatible with assistive technology.

5. *We carried out an assessment of the risk facing this smaller authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.*

Evidence:

- Review of internet banking procedures in December 2015, resulting in some banking being transferred to different provider. Different policies apply depending on bank account used for payment purposes.
- Review of insurance documents before renewal in September 2015. Meetings and regular phone/email contact with Came & Co, insurers, following sale of land and changes to assets.
- Risk register reviewed at least annually and risks categorized accordingly.

6. *We maintained throughout the year an adequate and effective system of internal audit of the council accounting records and control systems.*

Evidence:

- Regular meetings of Chair of Parish Council, Chair of Finance and Parish Clerk before full Parish Council meetings.
- All policies and procedures, circulated to all councillors and where relevant posted to the website.
- Monthly bank reconciliation circulated to all councillors and on each agenda.
- Bank statements are available at each Parish Council meeting for Councillors to check against the reconciliation
- Cashbook available electronically to all Parish Councillors on demand. Parish Council laptop brought to every council meeting for examination by Councillors.
- Internet banking voucher system requires three signatures, as for cheques, and audit trail to minutes written on vouchers and cheques.
- Budget monitoring undertaken on regular basis and transfers only made once agreed

7. *We took appropriate action on all matters raised in reports from internal and external audit.*

Evidence:

- No matters were raised in the external audit for the year 2014/2015
- The internal audit raised an issue with the way attendance was recorded in the minutes, this has been reviewed and amended to clearly identify Councillors present.
- The apology book had not been presented to the internal auditor and this will therefore be presented along with all other documentation for audit this year.
- The minutes presented for audit were copies of those published on the website and did not therefore contain the signature of the chair. Signed copies will be presented for audit this year.

8. *We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this smaller authority and, where appropriate have included them in the accounting statements.*

Evidence:

- Accounting statements made regarding any liabilities/commitments. Reserves are clearly identified in each reconciliation for long term commitments e.g. CIL and maintenance reserves.
- A provisional offer for an Awards for All Grant for repointing Youth and Community Centre has been made and when appropriate tenders submitted by suitable contractors identified for Victorian building of local interest will be discussed and agreed at Full Parish Council Meeting. This will not become an income or a commitment until next financial year and will be recorded at that time.
- There is an outstanding commitment to a local contractor for remedial works carried out, following the receipt of a credit note from the company who installed the new equipment at the Community Park last year. The work has now been carried out, but the invoice has not yet been received.