

ANNUAL RETURN for the year ended 31 March 2018

Section 1 - Annual Governance Statement 2017/18

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 two members of the council. All supporting records and documentation are available for councillors and public to view at each and every meeting or upon request.
- Account statements are 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.
- Two signatories, required for every cheque.
- Bank accounts only set up or closed after approval at meeting and minuted.
- Internet banking is managed in controlled manner.
- Internet banking is in place to prevent fraud and was 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 on line transaction
- The Standing Orders and Financial Regulations are reviewed at the Annual Parish Council 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 risk register is being produced and will be reviewed at the Annual Parish Council Meeting. Actions to reduce risk have been discussed and undertaken as appropriate through the year and in this will inform the risk register.
- 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 the section of the Local Government Act 1972 which requires two signatories has now been repealed, Swinderby Parish Council has and intends to retain a minimum of 2 signatories for the foreseeable future. This is also a feature of the internet banking, which requires 3 signatories for each transaction.

- The annual appraisal of the Clerk/RFO 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 performed all statutory duties following the Staging Date.
- The Parish Council regularly (at least annually) 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. This has been thoroughly reviewed and updated this year by the new Clerk
- 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 LALC has been sought on occasions, when the need has arisen.
- Regular checks on budget; underspends and overspends checked and explained before payments are made.
- There is a review of the Parish Council’s Standing Orders and Financial Regulations, amongst other documents, at the Annual Parish Council Meeting in May of each year.
- Each agenda requests declarations of personal or prejudicial interests.
- All Councillors have signed Codes of Conduct. Training is provided by LALC 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 5 June 2017 to 14 July 2017 and the Notice of Conclusion of Audit was displayed September 2017
- Agendas are displayed on the noticeboard at the Village Hall, on the website. Minutes are displayed on noticeboard at the Village Hall and on the website. 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 banking procedures resulting in the banking being transferred to different provider in 2017.
- Review of insurance documents before any renewal. Regular phone/email contact with Came & Co, insurers, when circumstances change and/or changes to assets occur.
- Risk register being prepared as 2 above.

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

Evidence:

- Regular contact between the Chair of the Parish Council 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, signed by two Councillors and then circulated to all councillors.
- 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.
- Budget monitoring undertaken on regular basis and virements only made once agreed

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

Evidence:

- Matters were raised in the external audit for the year 2015/2016 with regard to the exercise of public rights in 2014/15 as there was only 3 days from the posting of the notice to the start of the inspection period. This was an error and did not occur in 2015/16
- Matters were raised in the external audit about the large reserves held by the Parish Council. No consideration was given to the type of reserves held – this has been addressed in this year's audit requirements
- Matter was raised in the external audit with regard to objective F in relation to petty cash, which is not operated by the Authority. The internal auditors report was reviewed, but this matter was unfortunately missed as there were significant issues which needed attention.
- The internal audit raised an issue with the accounting records – this has been addressed with the employment of a new clerk
- The internal audit raised an issue with the management of risks. Individual risks have been discussed and addressed through out the year and are forming the basis of a formal Risk Register, which will be adopted at the Annual Parish Council Meeting

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. Election and maintenance reserves.