

3.6 The Council is registered with the Information Commissioner's Office (ICO) as a Fee Payer/Data Controller for the provision of council services (Registration Z2934889, expiring 11 December 2019 refers). The Clerk/RFO kept the Council advised during the year of the requirements of the General Data Protection Regulations (GDPR) in order to ensure the Council was working towards compliance. The Council's General Privacy Policy has been published on the Council's website.

3.7 The Council adopted the revised Suffolk Local Code of Conduct on 14 July 2014 for the purposes of discharging its duty to promote and maintain high standards of conduct within its area (Minute 15.205d refers).

4. Internal Control and the Management of Risk *(Review by Council of the effectiveness of internal controls, including risk assessment, and Minuted accordingly)*

4.1 The Council's Risk Assessment and Management (Financial) document and the Online Banking Risk Assessment document detailing the identified risks and the internal controls in place to mitigate the risks identified, were reviewed and approved by the Council at the meeting held on 11 March 2019 (Minute 18.104j refers).

4.2 The Council accordingly complied with Regulation 4 of the Accounts and Audit Regulations 2015 which requires a review by the full Council at least once a year of the effectiveness of the Council's system of internal control, including the arrangements for management of risk, with the review suitably Minuted.

4.3 Insurance was in place for the year of account. The Council approved the insurance premium of £236.24 to CAS Insurance for the forthcoming year at the meeting held on 19 November 2018 (Minute 18.072a refers). Public Liability cover stands at £10m. The Employee Dishonesty (fidelity guarantee) cover stands at £25,000, which meets the current recommended guidelines which provide that the cover should be at least the sum of the year-end balances plus 50% of the precept/grants received.

5. Budgetary controls *(Verification of the budgetary process with reference to Council Minutes and supporting documents)*

Precept 2018/19: £4,617.02

Precept 2019/20: £4,709.36

5.1 The Budget for 2018/19 was agreed in full Council on 15 January 2018 and the precept decision and amount has been clearly Minuted (17.103d refers).

5.2 The Budget for 2019/20 was considered and agreed by the Council at its meeting on 14 January 2019 (Minute 18.088d refers) and a Precept of £4,709.36 agreed. The precept decision and amount has been clearly Minuted (18.088de refers).

5.3 The Clerk/RFO ensures the Council is aware of its responsibilities, commitments, forward planning and the need for adequate reserves. The Council has sound budgetary procedures in place. Examination of the accounts and supporting documentation for the year under review confirmed that the Council prepared detailed estimates of the annual budget and of receipts and payments.

5.4 At its meeting on 19 November 2018 the Clerk/RFO presented a report covering actual spending compared to budget for the year. This report, together with the previous year's actual receipts/payment, provided the basis on which the 2019/20 Budget was constructed. The estimates for 2019/20 can be used effectively for financial control and budgetary control purposes.

5.5 The Reserves at the year-end totalled £8,157.56. As at the 31 March 2019 the Council maintained sufficient reserves and contingency sums to meet, within reason, any unforeseen items of expense.

6. Income controls ***(Regarding Precept and other income, including credit control mechanisms)***

6.1 Receipts recorded in the Cash Book were cross referenced with the Council's Bank Statements on a sample basis and were found to be in order.

7. Petty Cash ***(Associated books and established system in place)***

7.1 A Petty Cash system is not in use; an expenses system is in place.

8. Transparency Code ***(Compliance for smaller councils with income/ expenditure under £25,000)***

8.1 Under the provisions of the Transparency Code, Otley Parish Council can be designated as a 'Smaller Council'.

8.2 The Council's website is: <http://www.otley.onesuffolk.net/>

Smaller Councils should publish on their website:

- a) All items of expenditure above £100. Published on website.
- b) Annual Governance Statement: 2017/18 AGAR Annual Return Section One. Published on website.
- c) End-of-Year accounts: 2017/18 AGAR Annual Return, Section Two. Published on website.
- d) Annual Internal Audit report within 2017/18 AGAR Annual Return. Published on website.
- e) List of councillor or member responsibilities. Published on website.
- f) The details of public land and building assets (Asset Register). Asset Register published on website.
- g) Minutes, agendas and meeting papers of formal meetings. Published on website.

8.3 The Council is meeting the requirements of the Transparency Code.

9. Payroll controls *(PAYE and NIC in place; compliance with HMRC procedures; records relating to contracts of employment)*

9.1 The Clerk/RFO prepares Claim Forms for the number of hours worked. The Claim Forms are presented to the Council at each meeting and signed by cheque signatories confirming the Council's acceptance for payment.

9.2 Regarding the requirement that the Parish Council registers as an employer with HMRC and operates PAYE on the income the Clerk earns, Internal Audit has noted that Mrs Green received written advice from HMRC on 21 April 2016 to clarify that where (inter alia) the Clerk's earnings are below the Lower Earnings Limit for Class 1 National Insurance, a PAYE record is not required to be maintained by the Council.

10. Asset control and valuation *(Inspection of asset register and checks on existence of assets; recording of fixed asset valuations; cross checking on insurance cover)*

10.1 An Asset Register is in place. The Register was reviewed and approved by the Council at its meeting on 11 March 2019 (Minute 18.104i refers).

10.2 The total value of £17,138.29 as at 31 March 2019 is an increase of £126.50 over the value as at 31 March 2018 (£17,011.79) and reflects the acquisition of a Grit Bin in the year of account. The value has been correctly entered into Box 9 of Section 2 of the AGAR for 2018/19.

10.3 The Register complies with the current requirements which provide that each asset should be displayed at a consistent value, year-on-year. The assets are recorded at purchase cost value.

11. Bank Reconciliation *(Regularly completed and cashbooks reconcile with bank statements)*

11.1 The bank statements for the Barclays Community Current Account and the Barclays Business Premium (Savings) Account as at 31 March 2019 reconciled with the End-of-Year accounts and agreed with the overall Bank Reconciliation.

11.2 For ease of reference, the Council's Bank Reconciliation (between the Accounts Balance and the Balances at Bank) at the year-end can be displayed as follows:

	£	£
Account Balance at 1 April 2018 (b/f):		7,814.93
Add Receipts (to 31 March 2019):		6,437.72
Deduct Payments (to 31 March 2019):		6,095.09

Account Balance at 31 March 2019 (c/f):		8,157.56

Represented By:		
Barclays Community (Current) A/C (31 March 2019)	894.05	
Less Electronic payment to Westerfield P.C. relating to Speedwatch (transacted by bank on 1 April 2019):	50.00	
		844.05
Barclays Business Premium A/C (31 March 2019):		7,313.51

Bank Balance at 31 March 2019:		8,157.56

12. Year End procedures (*Regarding accounting procedures used and can be followed through from working papers to final documents. Verifying sample payments and income. Checking creditors and debtors where appropriate*)

12.1 End of Year accounts are prepared on a Receipts and Payments basis and were in good order. Sample audit trails were undertaken and were found to be in order.

13. Internal Audit Procedures (That the Council has satisfactory internal financial controls in place and any previous recommendations implemented)

13.1 The Council has satisfactory internal financial controls in place. The Clerk/RFO provides comprehensive financial reports to Council meetings. Councillors are provided with information to enable them to make informed decisions. The Council receives at each meeting details of the financial position of the Council, including details of Bank balances held and Bank Reconciliations.

13.2 Cheque Book counterfoils and invoices/vouchers for payment are initialled by cheque signatories. Payments and receipts are listed in the Council's Minutes as part of the overall financial control framework.

13.3 The Internal Audit Report for the previous year, 2017/18 was received by the Council at its meeting on 21 May 2018 (Minute 18.024d refers). No matters of concern had been raised in the report.

