

19.a Final Accounts 2015/16: Auditor's Report

i. 'External' audit

The Clerk reported that, at the time of the Council meeting (20th September), he had not received the report from the 'external' auditors on the Final Accounts 2015/16.

He has since received their report dated 21 September. The auditors reported a single 'issue'... that for 2015/16 *'The risk assessment was reviewed during the year, however was not accepted [by the Council] during the year. This is contrary to Accounts and Audit Regulations 2015'*. See Minute reference 9a above re the decisions and actions with regards risk management.

The auditor's reported *"no other matters came to our attention"*.

The auditors took the opportunity to remind the Clerk of the need for the Council to address the issues that had been raised by the 'internal' auditors.

External audit fee

Accompanying the audit report was a fee of £100 plus £35 costs for additional correspondence (both plus VAT). This is the first ever invoice from the 'external' auditors. The Clerk has questioned the validity and appropriateness of their charges, and as at 28th Sept, is awaiting their response.

Public Notice of Conclusion of Audit

The external auditors have also informed the Clerk of the need for the Council to notify the public of the 'Conclusion of the Audit' as at 19 September and that 'the accounts are now available for inspection by electors. The Clerk advises that this 'public notification' has already taken place, with an email to all residents on 10th June (see Appendix II). Following further advice from the auditors the deadline for public inspection was extended to 22nd July. The Clerk reported he had received no questions from the public.

ACTION: Clerk to, once again, inform the public of the 'Notice of Conclusion of Audit'.

ii. 'Internal' audit

The internal auditors submitted their report on 6th June. It is a requirement that the findings of the audit report is submitted to the Council, and action to address any issues is agreed. The auditors reported,

"We have concluded that, on the basis of the satisfactory conclusion of our annual programme of work, the Council has again maintained adequate and effective internal control arrangements.

We have completed and signed the 'Internal Audit Report' in the year's Annual Return, having concluded that, in all significant respects, excluding that relating to risk assessments, the control objectives set out in that Report were being achieved throughout the financial year to a standard adequate to meet the needs of the Council. As the Council had not formally finalised its assessment of risk within the

financial year and, consequently, adopted the registers, we are duty bound to record a "NO" response in that respect."

With regards the internal auditor's detailed findings and recommendations:

a. Review of Corporate Governance

Conclusions and recommendations

Whilst we are pleased to record that no significant issues exist at present affecting our sign-off of the year's Annual Return, we consider that the Council's extant governance documentation should be further reviewed and brought fully into line with the NALC model documents, also ensuring that a consistent value is recorded and applied for formal tender action and suggest that the value be set at £1,000.

R1. The Council should undertake a further review of its Standing Orders and Financial Regulations, bringing both into line with the latest NALC model documents.

R2. The revised documents should be consistent in identifying the value at which formal tender action is required.

ACTION: a review of the Standing Orders is covered elsewhere on the Agenda (9.c and 9.d). The Clerk reports that these recommendations have been actioned

b. Budgetary Control & Reserves

Conclusions

No issues arise in this area of our review this year warranting formal comment, although, as indicated last year, we suggest that members continue to closely monitor the value of funds held and ensure that they do not increase to an unrealistic level.

ACTION: Clerk has referred to the issue of perceived high year end balances in his report at agenda item 19.c "Revised Budget 2016/17." The Council decision at 17.b to create a "Provision for repair and maintenance of unadopted roads" will effectively reduce the general reserve.

c. Review of Expenditure & VAT

Conclusions and recommendations

We are pleased to report that no significant issues have been identified in this area, although, in line with best practice, we suggest that consideration be given to the acquisition of a rubber certification stamp to be affixed to each invoice. Ideally, the stamp should provide for the clerk's initials confirming receipt of goods and services and the arithmetic accuracy of the invoice; the initials of both

members approving the payment; the date and cheque / unique reference number of the payment being processed.

R3. In line with best practice, a suitably designed rubber stamp should be acquired and be affixed to each invoice / payment document evidencing the effective review and approval for payment.

ACTION: since notification of this recommendation, ALL invoices have been 'certified' as to their accuracy etc by the Clerk, prior to them being submitted to Cllrs for 'authorisation' of payment.

d. Asset Registers

Conclusions

The Council has continued to comply with requirements to maintain a fixed asset register and to ensure all assets detailed on it are recorded appropriately in the year's Annual Return.

ACTION: This is addressed at agenda item 19b below.