



Clifford Parish Council

Audit Committee

Minutes of the Meeting Held on Tuesday 16th November 2015, commencing at 7.15 p.m.

Present: Cllr N Fawcett (Chairman), Cllr A. Shaw and Mr D. Mills (Internal Auditor).

In attendance: Mr P. Seed, Clerk

Apologies: Cllr T. Blackmore

1. Minutes

The Minutes of the meeting held on 13th May 2015, previously circulated, were confirmed.

2. Half-year Report

Received: a copy of the half-year audit report from Mr Mills It was noted that the only action point was to ensure that all cheque stubs were signed by two councillors. The clerk to ensure that this is checked after every meeting.

3. Public Contracts Regulations 2015

It was agreed to recommend to the Council that the Standing Orders be amended, as attached, to take account of the Regulations. It was noted that the changes were those recommended by NALC.

4. Financial Regulations

It was agreed that there were no amendments required to the Financial Regulations.

5. Other Business

Due to having moved out of the village, Mr Mills tendered his resignation as Internal Auditor. The Chairman thanked him for his excellent work.

The audit covered the first six months of financial year 2015/2016 including a randomly sampled audit of the requirements set out in the Audit Testing document (ADT) and a detailed examination of two months' records selected at random: April and September 2015.

Findings	ATD Req.	Action by	✓ Date
Book-keeping			
<p>The cashbook is maintained up-to-date on an on-going monthly basis, and is balanced at each month end by reconciliation vs. bank statements.</p> <p>All entries examined were found to be arithmetically correct.</p>			
Standing Orders and Financial Regulations compliance			
<p>All expenses in April 2015 and September 2015 were recorded in minutes and cross-referenced to the cashbook.</p>			
<p><i>All cheque stubs examined were signed by two councillors with the exception of #001638 – 16/9/15.</i></p> <p>Observation <i>Also observed in next period: #001648 – 21/10/15</i></p>	8		
<p>There are no Section 137 transactions.</p>			
Risk Management			
<p>There were no unusual transactions, apparent or recorded in the months under audit.</p>			
Budgetary & Income Controls			
<p>Minutes for the months under audit showed regular reporting of actual expenditure to the council, with no significant unexplained variances from budget. All income is promptly banked and properly recorded.</p>			
Petty Cash			
<p>There is no cash handled on a day-to-day basis.</p>			
Payroll Controls			
<p>All payments to the Clerk were fully approved and minuted by council on a monthly basis: PAYE/NIC payments were correctly calculated and paid on time and a comprehensive record of salary and expenses maintained.</p>			

Findings	ATD Req.	Action by	✓ Date
Bank Reconciliation			
Monthly bank reconciliations were recorded on the cashbook and as reconciliation reports for the NatWest accounts; there were no transactions on the Santander account. There was no evidence of any unexplained entries.			
Year End procedures			
All debtors and creditors are identified in account records.			

This report covers the findings of an interim audit carried out on two randomly sampled months in the first half of Financial Year 2015-2016; therefore it should not be assumed that areas of concern may not exist within the financial records which were not identified within the sample selected for audit. The audit was conducted on the accounts file and supporting relevant chequebooks and paying-in books available on 3 November 2015

David Mills
Internal Auditor
3 November 2015

Proposed changes to Standing Orders are in bold. They are as suggested by NALC.

18 Financial controls and procurement

- a) The council shall consider and approve financial regulations drawn up by the Responsible Financial Officer, which shall include detailed arrangements in respect of the following:
 - i. the keeping of accounting records and systems of internal controls;
 - ii. the assessment and management of financial risks faced by the council;
 - iii. the work of the independent internal auditor in accordance with proper practices and the receipt of regular reports from the internal auditor, which shall be required at least annually;
 - iv. the inspection and copying by councillors and local electors of the council's accounts and/or orders of payments; and
 - v. **procurement policies for contracts of all levels (subject to standing order 18(c) below) and requirements under the Public Contract Regulations 2015.**
- b) Financial regulations shall be reviewed regularly and at least annually for fitness of purpose.
- c) **Financial regulations shall confirm that a proposed contract for the supply of goods, materials, services and the execution of works with an estimated value in excess of £25,000 shall satisfy the requirements of the Public Contract Regulations 2015 and will be procured on the basis of a formal tender as summarised in standing order 18(e) below. The council will advertise the contract opportunity on the Contract Finder website.**
- d) Any proposed contract for the supply of goods, materials, services and the execution of works with an estimated value in excess of £1,500 shall be procured on the basis of a formal tender as summarised in standing order 26(d) below
- e) Any proposed contract for the supply of goods, materials, services and the execution of works with an estimated value in excess of £500 shall be procured on the basis of three competing quotations, where practical
Any formal tender process shall comprise the following steps:
 - i. a specification of the goods, materials, services and the execution of works shall be drawn up;
 - ii. tenders are to be sent, in a sealed marked envelope, to the Proper Officer by a stated date and time;
 - iii. tenders submitted are to be opened, after the stated closing date and time, by the Proper Officer and at least one member of the Council;
 - iv. tenders are then to be assessed and reported to the appropriate meeting of Council or Committee.
- f) Neither the council, nor a committee or a sub-committee with delegated responsibility for considering tenders, is bound to accept the lowest value tender.
- g) **Where the value of a contract is likely to exceed £172,514 (or other threshold specified by the Office of Government Commerce from time to time) the council must comply with the Public Contracts Regulations 2015 and where applicable, the Utilities Contracts Regulations 2006 (SI No. 6, as amended). If the 2006 Regulations apply to the contract the council must comply with EU procurement rules.**