

Horton Parish Council

To: Every Member of the Council for the Parish of Horton. YOU ARE HEREBY SUMMONED TO ATTEND A MEETING of the COUNCIL of the Parish of Horton at 7.30pm to transact the business specified in the agenda set out hereunder: to be held in Champney Hall on

Tuesday 16th May 2017

Dated this the 7th day of May 2017

Benta Hickley, Clerk to the Council.

AGENDA

2017/05/	#01	A. Present & apologies & declaration of interest (and questions from the public if appropriate): B. To elect a Chairman and Vice Chairman for 2016/17 C. To consider any other internal or external appointments.				
	#02	Minutes of previous meetings for approval: A. PC meeting of 18 th April B. AP meeting of 11 th April				
	#03	Matters arising from previous meetings of the Parish Council: A. Ongoing matters: // Potential purchase of BT phone box // Road in front of the Crown // Parish Graveyard // Purchase of defibrillator // Pickins Piece // No updates received for these items B. Questions re landfill at Cemex site C. Rubbish bin at exit to Arthur Jacob's Nature Reserve D. Champney Hall Insurance E. Fencing concerns on Horton Green F. The tree on the green Other items have been added to the agenda below Matters arising from the Annual Parish Meeting: A. Fly tipping B. Arthur Jacob's Nature Reserve & Poyle Poplars - maintenance C. Coppermill Road - lighting D. Coppermill Road - speeding E. Coppermill Road - visible policing F. Coppermill Road - parking on verges G. Rubbish on NE corner of Sunnymeads Bridge (Cemex?)				
	#04	Planning applications and Highways: A. Any applications received after the agenda has been published				
	#05	Chairman's Communications: A. General Election B. Internal Audit 2015/2016 to be approved and adopted C. Any communications received after the agenda has been published				
	#06	To receive reports from Borough Councillors: A. Including village maintenance items				
	#07	Other Communications or Consultations: A. Neighbourhood Plan B. Memorial to Betty C. Play Scheme D. Flood Liaison Group E. Regular inspection of play equipment F. HPC Asset Register G. Neighbourhood Action Group (NAG) H. Any communications received after the agenda has been published				
	#08	Financial A. Payment of invoices: to receive for approval a list of invoices received:				
	#09	Questions from the public:				
	#10	Dates of future meetings: 2017, Third Tuesday of each month				
	17th January	21st February	21st March	18th April	16 th May	20 th June
	18 th July	NO August meeting	19 th September	17 th October	21 st November	NO December meeting

NOTE Meeting Rules apply.- circulated to Members - May 2015.

Clerk to the Council. Mrs Benta Hickley, 4B Bells Lane, Horton, SL3 9PW Email Clerk@HortonParishCouncil.Gov.uk.

Note: Personal callers by appointment only. **I have arranged for this agenda and the previous minutes to be added to the Parish Council Website: www.hortonparishcouncil.gov.uk**

Annual Parish Meeting Minutes

TUESDAY 11TH APRIL 2017

2017/03/APM/	#01	<p>Present & apologies & declaration of interest (and questions from the public if appropriate): Freda Bovington, Jillian Sinclair-Hill, Eileen Coogan, Richard Tillyer, Janet Crame, Mark McAudley, Stuart Inger, Paul Shine, Edward Chandler, Gurpreet Sokhi, Ewan Lancombe and 7 others.</p> <p>Those present were asked if they wanted to chair or minute the meeting. No one stepped forward so the chair and clerk of Horton Parish Council took the posts</p>	
	#02	<p>Minutes of previous Annual Parish Meeting for approval: The Chair and the clerk explained that an extensive search (past parish papers, councillors' papers, the Parish Council website and the Parish Council laptop) failed to find a copy of the 2016 minutes. This item has therefore not been completed. If anyone is able to find a copy of the minutes they will be approved at a later date, but for now it has to be assumed that they do not exist.</p>	
	#03	<p>Matters arising from previous meetings of the Parish Council: None, see above.</p>	
	#04	<p>Chair's Annual Report Presented (attached). No questions</p>	
	#05	<p>Report on the Horton and Wraysbury Neighbourhood Plan from Janet Crame Janet was introduced as the Horton Parish Councillor, who (along with Eileen Coogan, and previously Betty Marlow) has been representing the village on the Horton and Wraysbury Neighbourhood Plan (NP).</p> <p>SUMMARY: The NP was an initiative for communities to have a say regarding planning in their own area. When it has been approved it will become statute and therefore will give Parish Councils more weight when they put forward their views on planning applications. The steering group was set up in 2013. Horton has added some key initiatives encompassing local values and requirements: in summary all development should demonstrably keep the village as good it is now or make it better.</p> <p>CONTENT: the Neighbourhood Plan contain 5 main policies and two 'non land use' sections:</p> <ul style="list-style-type: none"> • HOUSING: i.e. control of quality, design, width, height, footprint etc. Also concerns derelict buildings, redevelopment and change of use. • BUSINESS AND ECONOMY: i.e. trying to maintain/encourage such retail business as are important to the community. Other local commerce will keep the village active during the day. • OPEN ENVIRONMENT AND LANDSCAPES: These need to be looked after, not taken for granted • SUSTAINABLE DEVELOPMENT AND WATER MANAGEMENT: Developers of significant number (>10) of dwellings to be encouraged to discuss their plans with the Parish Council in advance • BUILT ENVIRONMENT AND COMMUNITY ASSETS (PROTECTION OF): Retention of such as shops, pubs, church, Champney Hall – things that add to our community • NON LAND USE – TRANSPORT AND MOVEMENT: To retain public transport (train stations and services, bus service etc) improve traffic management and ensure sufficient parking for facilities. • NON LAND USE – KEY FACILITIES / COMMUNITY ISSUES: Such as Post Office, Doctors', footpath, rights of way. To look at retaining, expanding, improving the provision as appropriate. Ensuring villagers understand the importance of using/choosing local facilities. <p>NEXT STEPS: After the document has been approved by the Steering Group at the two Parish Councils it will go RBWM, to a NP Examiner, back to the villages and then will become law. It then becomes the responsibility of the village Parish Councils to ensure that they reference it on all planning applications they receive.</p>	

#06	<p>To receive the accounts of Parish Charities for 2016/2017</p> <p>Parish Charities accounts presented (attached). No questions Champney Hall Accounts presented (attached). No questions</p>	
#07	<p>To receive suggestions for village amenities that could be considered for listing as Parish Assets</p> <p>The Clerk explained this. The NP details The Crown, Horton Arms (Previously 5 Bells) Champney Village Hall, Queen Mother Reservoir & Sailing Club, and the convenience store, together with 13 listed buildings in Horton. No additional amenities were suggested.</p>	
#08	<p>To receive, for discussion, any matters that electors registered in the parish of Horton may wish to raise</p> <ul style="list-style-type: none"> • Paul Shine raised the issue of Fly Tipping (Stanwell Road between Coppermill Road and the Crown, Polye): Clerk to establish phone numbers for notifying RBWM and Slough fly tipping teams, and to query whether they collect only up to their boundary. • Paul Shine raised the issue of neglect of Arthur Jacobs Nature Reserve and Poyle Poplars (including fallen trees and David Bartram Memorial bench): Clerk to check ownership (Colne Valley Trust?) and discuss maintenance responsibilities. Clerk to establish status re DB memorial bench & plaque • Gurpreet Soki raised the issue of inadequate lighting along Coppermill Road: Gurpreet is concerned that inadequate lighting is contributing to the high numbers of burglaries. Can additional street lights be added? Clerk to refer to next Parish Council meeting • Gurpreet Soki raised the issue of speeding along Coppermill Road: She suggested permanent speed camera. A general discussion established that cameras are generally used only in accident black spots, and that speed traps generally 'catch' mainly locals. Speed bumps / sleeping policemen were considered good by some, and useless by others. Narrowing points were suggested. Clerk to refer to next Parish Council meeting • Gurpreet Soki raised the issue of lack of visible policing in the village specifically along Coppermill Road: (resulting in increase of burglaries and speeding). Clerk to refer to next Parish Council meeting. • Edward Chandler raised the issue of parking on verges on Coppermill Road: These are an attractive feature of Coppermill Road, but are being turned to mud by people parking on them. Could small bollards be installed to prevent inappropriate parking? Clerk to refer to next Parish Council meeting • Eileen Coogan raised the issue of Cemex rubbish on the NE corner of Sunnymeads Bridge: Clerk to refer to next Parish Council meeting • Ewan Larcombe raised the issue of the Thames Scheme (Lower Thames Flood Risk Management): <div data-bbox="587 1402 1031 1648" data-label="Image"> </div> <p>The planned route through Horton is from near to Sunnymeads station, parallel to the railway line (50m wide in places) under the railway bridge just before Wraysbury Station, under Staines Road, under Hythe End Road, and into the Thames just downstream of Bell Weir Lock. The plan will be submitted to the Treasury in spring 2018. The expected cost will be £478million</p> <p><i>The Clerk will investigate the matters raised and the information will be circulated to the Councillors and the interested parties at the meeting. If you would like a copy of this please contact the Clerk at Clerk@HortonParishCouncil.gov.uk</i></p>	<p>BH</p> <p>BH</p> <p>BH</p> <p>BH</p> <p>BH</p> <p>BH</p> <p>BH</p>

The meeting closed at 8:25pm

Horton Parish Council

Internal Audit Report 2015-16

Stuart Pollard

*Director
Auditing Solutions Ltd*

Background

All town and parish councils are required by statute to make arrangements for an independent internal audit examination of their accounting records and system of internal control and for the conclusions to be reported each year in the Annual Return. Following a change in the Council's arrangements for this service provision, together with the sad and untimely death of the Clerk, we at Auditing Solutions Ltd were approached in late July 2016 and subsequently appointed to provide the service for 2015-16.

This report details the work undertaken in relation to the financial year's Annual Return following provision of all relevant and requested documentation in support of the year's financial transactions and governance arrangements.

Internal Audit Approach

In undertaking our review for the year, we have paid due regard to the materiality of transactions and their susceptibility to any potential misrecording or misrepresentation in the year-end Statement of Accounts/Annual Return. Our programme of cover has been designed to afford appropriate assurance that the Council's financial systems remain robust and operate in a manner to ensure effective probity of transactions and to afford a reasonable probability of identifying any material errors or possible abuse of the Council's own and the national statutory regulatory framework. The programme is also designed to facilitate our completion of the 'Internal Audit Report' in the Council's Annual Return, which requires independent assurance over ten separate internal control objectives.

Overall Conclusion

We have concluded that, based on our review of the year's records, the Council maintained generally adequate and effective internal control arrangements throughout the financial year. We wish to acknowledge the actions of the locum clerk in ensuring completion of the financial records for the year following the death of her predecessor soon after the financial year-end, which has resulted, understandably, in the Council's failure to comply with national legislative requirements in relation to the timing of the adoption of the year's Accounts / Annual Return.

We have, consequently, completed and signed the 'Internal Audit Report' in the year's Annual Return, having concluded that, in most respects, 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. However, whilst we appreciate the reasons for the delay in completion of the year's Accounts due to the sad death of the former clerk, the Council has failed to meet its statutory obligation in adoption of the year's Annual Return by 30th June 2016. We have also noted the need for amendments to the financial detail at Section 2 of the Annual Return as presented for our examination in relation to the Precept and asset values (Boxes 2, 3 & 6).

Detailed Report

Maintenance of Accounting Records & Bank Reconciliations

The former clerk maintained the accounting records in spreadsheet format, which we consider appropriate for the level of annual transactions taking place. We do however consider that the task of preparing the periodic budget reports and detailed year-end Statement of Accounts would be simplified were further columns employed in the cashbook spreadsheet to analyse receipts and payments over the various budget headings and those reported in the detailed annual Statement of Accounts.

We note that the year's financial transactions were effected through a bank account with Unity Trust and that the former Barclays bank account was closed part way through the year and have confirmed the transfer of the residual balance to the Unity Trust bank account.

Our objectives in this area are to ensure that the accounting records are maintained accurately and in a timely manner with detail reconciled routinely to the various bank accounts in use. We have: -

- Verified that the closing balances reported in the 2014-15 Annual Return have been "rolled-over" correctly as opening balances for 2015-16;
- Verified transactions on the Unity Trust account for the full financial year and, as above, closure of the Barclays account; and
- Noted the regular preparation of bank reconciliations throughout the year and verified the accuracy of that at the year-end, agreeing detail to the Statement of Accounts and Annual Return, as prepared for the financial year.

Conclusions and recommendation

We are pleased to record that no significant issues have been identified in this area, although we suggest that the spreadsheet cashbook could beneficially be expanded to include analysis of the monthly payments in order to aid the periodic reporting of budget performance during the year and also production of the detailed annual Statement of Accounts.

R1. In order to simplify the task of identifying the analysis of receipts and payments for inclusion in budget reports and the year's detailed Statement of Accounts, consideration should be given to the inclusion of appropriate analysis columns in the cashbook.

Review of Corporate Governance

Our objective in this area is to ensure that the Council has robust corporate governance documentation and procedures in place; that Council meetings are conducted in accordance with the adopted Standing Orders and that, as far as we may be reasonably expected to ascertain, no actions of a potentially unlawful nature have been or are being considered for implementation. We have: -

- Examined the Council's minutes for the financial year and to date in the current year to identify whether or not any issues exist that may have an adverse effect, through litigation or other causes, on the Council's future financial stability; and

- Noted that both Standing Orders (SOs) and Financial Regulations (FRs) were last reviewed and re-adopted by the Council in March and January 2015 respectively: examination of their content indicates that neither appears to be based on the latest available NALC model documents. The more recent version of the Financial Regulations, issued in January 2016, incorporates appropriate references to the revised EU Regulations (April 2015) on procurement;
- A significant change in EU Regulations pertaining to tendering became effective from 1st April 2015 and now requires that, for all government departments, (including this tier of local government) all tenders with an anticipated value in excess of £25,000 over their life must be formally advertised in the Government's "Contract Finder" website.

In order to assist the Clerk and Council, we have provided electronic copies of available published NALC guidance on procurement following the change in EU legislation, together with various Legal Topic Notes issued during 2015-16 in this respect. As a consequence of this legislative change, the value for formal tender action, as recorded in both SOs and FRs (currently identified as £60,000 in each) should be revised to a maximum of £25,000, although we consider that, for a Council the size of Horton, a more appropriate level for formal tender action would be between £10,000 and £15,000. We consider that the present lower value of £3,000 for the acquisition of quotes, as currently recorded in the SOs and FRs, is appropriate for the Council's present requirements.

In examining the most recent version of the Council's FRs, we have noted a few instances where the current modus operandi is at odds with their stated requirements; most notably in relation to the processing and authorisation of payments (please see next section of this report in relation to our Review of Expenditure). We have also provided the Clerk with an electronic copy of the latest version of the NALC Model FRs in order to assist the extant document's further review and update in order to ensure compliance with the above EU legislative change: we do not, unfortunately, have an electronic copy of the latest model SOs, but believe one can be obtained from NALC or SLCC.

We are also pleased to note that the Council periodically reviews its financial performance with quarterly reports received during the year and have seen no indication of any potential problems with the Council's ongoing financial viability.

We are pleased to note that detail of payments is recorded in the minutes, although detail of the cheque numbers was not recorded during 2015-16. In line with best practice, we suggest that detail of cheque numbers and Direct Debits (ideally with each such payment allocated a unique number) is recorded in the minutes in order to provide clear evidence of continuity of cheque usage, etc. We also note that detail of the payment on cheque no. 189 drawn in favour of HPSS relating to the boiler repairs is not included in the minutes.

Conclusions and recommendations

Whilst we fully appreciate the reasons for the delayed preparation of the Council's Accounts and formal adoption of the 2015-16 Annual Return, we remind the Council of the need to put in place appropriate contingency arrangements, which should also form part of the formal risk assessment, to ensure that in future years the Council does not fail to meet the statutory deadline for completion and adoption of the Annual Return.

As above, we wish to draw the Clerk and members' attention to the revised EU Regulations in relation to contracting and tendering and the consequent need to revise SOs and FRs accordingly. We also ask that the FRs be reviewed to ensure that they meet the Council's

specific procedural requirements and that, where currently deviating from actual working practice, the latter is either brought into line with the approved procedures or working practices are amended accordingly.

- R2. *The Council should ensure that appropriate contingency arrangements are put in place to ensure compliance with the statutory deadlines for the production and formal adoption of the year's Annual Return.*
- R3. *The Council will need to ensure that, should any contractual obligations arise exceeding the £25,000 tendering EU legislative reporting requirements, appropriate measures are taken to ensure compliance.*
- R4. *The extant Standing Orders and Financial Regulations should be revised in line with the latest NALC Models to reflect the above changes in EU contract reporting requirements, ideally setting a lower value as indicated in the body of the report and to reflect actual approved working practice.*
- R5. *Detail of individual cheque numbers and Direct Debits should also be recorded in the minutes for each approved payment.*

Review of Expenditure

Our aim here is to ensure that: -

- Council resources are released in accordance with the Council's approved procedures and budgets;
- All payments are subject to appropriate approval in accordance with the Council's approved procedures;
- Payments are supported by appropriate documentation, either in the form of an original trade invoice or other appropriate form of document confirming the payment as due and/or an acknowledgement of receipt, where no other form of invoice is available;
- All discounts due on goods and services supplied are identified and appropriate action taken to secure the discount; and
- VAT has been appropriately identified for periodic recovery.

We have reviewed the Council's approach to the approval and authorisation of release of moneys to traders and staff and consider that they are generally sound, although we note that invoices bear no indication of specific review or approval by the Clerk / RFO contrary to the requirements of the FRs (Section 5 refers).

Whilst we acknowledge that payments are detailed in the minutes, we consider that in order for members to demonstrate fully and effectively the discharge of their fiduciary responsibilities, all payment documentation should also be appropriately signed and certified as approved for payment by the two cheque signatories. In this respect and in line with best practice we suggest that a suitably designed rubber stamp be acquired and be affixed to each payment document: the stamp should include provision for:-

- the Clerk / RFO's initials confirming receipt of the goods / services and arithmetic accuracy of the invoice (FRs refer, as above);

- the initials of the two members approving and authorising release of the payment; and
- the cheque number or unique direct debit / BACS reference number and date of payment in order to provide a full audit trail.

This being our first year as the Council's internal auditor, we have reviewed the full year's transactions seeking to ensure compliance with the above criteria. In examining the file of supporting documentation, we noted a few instances where no formal documents supporting payments were on the file (chq. Nos. 157, 166, 167, DD to Information Commissioner, 262, 266, 272 (or 281 replacement cheque) and March 2016 payments on cheque numbers 287 – 290).

We appreciate that, following the death of the former clerk, documentation may now be difficult, if not impossible, to trace, but suggest that in future care is taken to ensure that all payments are appropriately supported by a trade invoice or proforma invoice certified as appropriate for payment by the Chairman. We also suggest that, when the clerk is paid for any "out-of-pocket" expenses, a suitable proforma invoice is prepared and is similarly certified by the Chairman.

We note that a VAT return covering the period from 1st January to 31st August 2015 has been prepared, submitted and repaid by HMRC and have agreed detail to the spreadsheet cashbook for the current financial year's transactions. We understand that no subsequent reclaim has, as yet, been prepared or submitted. Whilst not a significant issue, we note that the FRs (paragraph 9.8) indicate that reclaims should "be made at least annually coinciding with the financial year-end".

In examining the clerk's expense claims during the year, most of which were not fully supported by a proforma claim and have noted that occasional small amounts of VAT incurred on various items acquired during the year have not been identified for recovery. Whilst ideally, any invoice should be made out in the name of the Parish Council, were such acquisitions made through a petty cash account and the purchases demonstrably for the use of the Council, the VAT incurred may and should be reclaimed.

Conclusions and recommendations

We are pleased to record that no significant issues or concerns arise from our work in this area: however, we consider that, in line with best working practice and to fully ensure compliance with the Council's FRs, certain enhancements should be implemented to further strengthen existing controls and afford clear evidence of members' effective discharge of their fiduciary responsibilities.

- R6. *Where no formal invoice is available to support a payment, a proforma should be prepared and be retained on file in order to afford a complete audit trail: where the payment refers to a grant or donation, a copy of the appropriate approving minute would suffice.*
- R7. *Consideration should be given to the acquisition of a suitably designed rubber certification stamp to be affixed to each invoice or proforma invoice supporting payments incorporating the detail as indicated in the body of this report.*
- R8. *VAT reclaims should, in future, be prepared and submitted more frequently and ideally cover the full financial year in line with the Council's Financial Regulations.*
- R9. *Where VAT is incurred on miscellaneous expenses by the clerk, detail could and should be identified for recovery from HMRC.*

Assessment and Management of Risk

Local councils are required to put in place appropriate arrangements to assess and manage all potential risks, financial and other, to which they may be exposed, also ensuring that appropriate insurance cover is in place [Governance and Accountability Manual – “The Practitioner’s Guide” Paragraph 2.104 refers].

We are pleased to note that the Council considered and re-adopted its risk assessment document at the January 2016 meeting. Examination of the document indicates that it is potentially “thin” and does not afford a full assessment of the potential financial or political risks facing the Council (e.g. additional audit fees and qualification for failure to comply with extant legislation in relation to the adoption of the Annual Return). Consequently, we have provided the clerk with a more robust specimen document as used by a few of our clients, suitably tailored to their individual requirements.

We also draw attention to the existence of more detailed software developed by a company in Scotland (DMH Solutions) specifically for this tier of Local government, which is also used by a number of our clients. This software (Local Council Risk System – LCRS) is available over the internet in disc format at a cost of approximately £100 plus VAT and caters for some 50 potential areas applying to local councils scrolling down to approximately 500 individual risks. Users identify the relevant services comparing their inherent controls against the “ideal controls” identified in the software and then score (“0” for non-applicability to “3” for high) for the likelihood of the risk materialising and also the potential financial / political impact were it to occur.

The software also includes, for virtually each of the individual risks, appropriate reference to any relevant legislation and generates a detailed risk register of areas assessed, together with an Action Plan of any areas where the product of the likelihood and impact are assessed as medium to high. The software also generates insurance and health and safety checklists.

We have also examined the current year’s insurance schedule noting that cover is provided by Zurich Municipal and consider that cover is appropriate for the Council’s present needs with Employer’s and Public Liability cover in place at £10 million and £12 million respectively, together with Fidelity Guarantee cover at £250,000.

Conclusions and recommendation

As indicated above, we are pleased to acknowledge the existence and adoption of a formal risk assessment document covering 2015-16, although we consider that the existing register requires “fleshing out” to identify all potential risks to which the Council may be exposed. We commend either the sample document provided or the above software (LCRS) as affording a more detailed and meaningful assessment of the potential areas of risk to which the Council could be exposed.

R10. Consideration should be given to the acquisition of the LCRS software or, as a minimum, expanding the existing register’s assessments to include and address, inter alia, more robust concerns such as the potential risks arising from staff changes or unavailability.

Budgetary Control and Reserves

Our objective here is to ensure that the Council has a robust procedure in place for identifying and approving its future budgetary requirements and the level of precept to be drawn down from the Royal Borough: also, that an effective reporting and monitoring process is in place. We also aim to ensure that the Council retains sufficient funds in general and earmarked reserves to finance its ongoing spending plans, whilst retaining appropriate sums to cover any unplanned expenditure that might arise.

We are pleased to note that, following due debate, the Council finalised its budget and precept deliberations for 2016-17 formally adopting the latter at £24,164 at the January 2016 meeting.

We are pleased to note that members receive quarterly budget monitoring reports during the year and have considered the appropriateness of the level of retained reserves at 31st March 2016 totalling £32,788, including identified earmarked funds of £23,471. The residual General Fund balance of £9,317 equates to approximately three months' revenue spending, which sits comfortably within the recognised CiPFA guideline of between three to six months' spending.

We also note the existence of a charity for which the Council acts as custodian trustee with a fund balance of £658, which has remained unchanged in recent years and is contained within the Council's bank balances. We also note reference to a "D Bartram Fund" with again an unchanging balance of £363 and have requested the locum clerk to establish the exact nature of the balance.

Whilst the amounts involved are relatively small, we draw the Council's attention to the aforementioned Governance and Accountability Manual (2014 edition - para. 1.39 onwards) in relation to accounting for charitable fund activities and requires such funds to be retained in separate bank accounts and be excluded from the Annual Return detail. This has not been actioned accordingly by the Council in prior or the current year: whilst we consider that the sums involved are de minimus, we suggest that further guidance be sought from the external auditors on their specific requirements with regard to these funds given that there appears to be no movement on the balances or any annual transactions.

Conclusions and recommendation

As indicated above, we suggest that clarification on the status of the charitable funds be established and further guidance be sought from the external auditors as to whether or not they require the balances to be removed from the Annual Return and separate bank account(s) established given the low value of the retained funds.

R11. The Council should establish the exact nature of the charitable account(s) for which it acts as custodian trustee: given their low value and lack of transaction activity, the Council should, in conjunction with the external auditors, determine whether or not the funds should be transferred to separate bank account(s).

Review of Income

The Council receives income from a very limited number of sources in addition to the precept including various grants, small amounts of bank interest and recoverable VAT. We have agreed detail of income to the available underlying records noting that, in preparing the year's Annual

Return, the Council Tax Support Grant (£1,867) has been included erroneously in Box 2 of the financial report, whereas it should be recorded at Box 3, as it does not relate to precept income.

Conclusions and recommendation

Whilst no significant issues have been identified in this area, the Annual Return, as presented for our examination, should be amended to include the Council Tax Support Grant (£1,867) at Box 3 rather than Box 2.

R12. Section 2, Boxes 2 & 3 of the year's Annual Return should be amended to record the Council Tax Support Grant as "Other Income" rather than as part of the Precept.

Petty Cash Account

The Council does not operate a petty cash account.

Salaries and Wages

In examining the Council's payroll function, we aim to confirm that extant legislation is being appropriately observed as regards adherence to the Employee Rights Act 1998 and the requirements of HM Revenue and Customs (HMRC) legislation as regards the deduction and payment over of income tax and NI contributions.

We note that the Council uses the services of an external payroll bureau. In order to ensure compliance with the above objectives, we have: -

- Endeavoured to ensure that the gross salaries applied in 2015-16 to the former Clerk have been paid at the approved rate of pay;
- Verified the net payments made to the clerk throughout the financial year, based on the gross salary recorded on the payroll provider's records and assuming that, as indicated by the deductions applied, tax is payable at Basic Rate;
- Noted that no National Insurance employee deductions or Council contributions were applicable, as the Clerk's salary was below the relevant threshold; and
- Ensured the appropriate and prompt payment of tax deducted to HMRC during the year.

Conclusions and recommendation

We are pleased to record that no issues have been identified in this area of our review process other than our being unable to verify the basis of the clerk's gross monthly salary or tax code (both remained unchanged month by month during the year) due to the unavailability of any confirming documentation. The locum clerk has managed to trace documentation identifying the annual salary payable for 2013-14, but nothing subsequent identifying the weekly hours payable or National Salary Scale Point.

We note that the payroll bureau detail of the clerk's monthly salary, together with the amount payable to HMRC, is held on the file of monthly invoices processed (excluding that for March 2016, as above), although it affords no indication of her tax code. Consequently, we have been unable to confirm that tax deductions were correctly applied at Basic Rate. We suggest that, in future, either the payroll bureau be asked to identify the clerk's tax code on the monthly

schedules or a copy of individuals' payslips, which generally would identify the code, be taken and be attached to the summary documentation provided by the bureau.

We note that a locum clerk has been covering the post since her predecessor's sad demise and that the Council has still to make a formal appointment. Once agreed, a formal employment contract should be prepared identifying the basic salary scale point and weekly hours payable and we commend the NALC model as suitable for use subject to tailoring to meet local requirements.

R13. The payroll service provider should be requested to include detail of employees' tax codes on the monthly schedules summarising payroll computations. Alternatively, a copy of each employee's monthly payslip should be attached to the file documentation.

R14. Once a new clerk is appointed, he / she should be issued with a formal employment contract incorporating both the point in the national pay scale and basic weekly hours.

Asset Registers / Inventories

The Governance and Accountability Manual requires all councils to maintain a record of all assets owned. We note that, due to the circumstances arising since the end of the financial year, the locum Clerk has been unable to trace a formal asset register, either in hard copy or electronic format. We understand that she has drawn this to members' attention and that they acknowledge the requirement to develop / maintain an appropriate register.

In examining the 2015-16 Annual Return disclosed value of assets as provided for our review, we note that the value has remained unchanged from that reported in 2014-15. A new laptop and Christmas tree lights were acquired during the year at a cost of £298 and £567 respectively and the Annual Return will require appropriate amendment to reflect these acquisitions.

A number of our clients have also developed photographic registers of their assets, which has proved of assistance in progressing any insurance claims where assets have either been stolen or vandalised. We consider this a further example of best practice and commend it to the Council for future consideration.

Conclusions and recommendations

We are pleased to report that no significant areas of concern have been identified exist in this area of our review process, apart from the need to revise the asset value reported in the year's Annual Return and, as indicated above, consider the development of a photographic register of the asset stock.

R15. Consideration should be given to the development of a photographic register of the Council's asset stock in order to assist in the smooth progression of any insurance claim that may arise as a result of theft or damage to the property.

R16. The Annual Return asset value, as recorded, requires uplift to include the new laptop and Christmas lights acquired during 2015-16.

Investments and Loans

The Council has no long-term investments, nor does it have any loans in place repayable either by or to it.

Statement of Accounts and Annual Return

We are pleased to note that a detailed Statement of Accounts has been prepared as in previous years, detail of which we have checked to the underlying cashbook record and other relevant supporting documentation. We have made previous reference to the ideal of expanding the spreadsheet cashbook to assist in the process of identifying cumulative receipts and payments under each heading as recorded on the detail Statement of Accounts.

We have also, as recorded in preceding sections of this report the need to amend the values reported in Boxes, 2, 3 & 9 of the year's Annual Return to reflect the correct treatment of the Council Tax Support Grant and assets acquired during the year.

Conclusions and recommendation

No additional issues arise in this area other than those relating to the need to ensure compliance with the statutory timetable for adoption of the Accounts and Annual Return and for appropriate amendments to be made to the financial detail three Boxes in Section 2 of the Return.

On the basis of work undertaken during the year, we have duly signed off the Internal Audit Report in the Annual Return assigning positive assurances in each relevant area other than in relation to above failure to comply with the statutory timetable for adoption of the Annual Return, although we acknowledge the extenuating circumstances.

R17. Given the failure to meet the statutory timetable for adoption of the Annual Return and absence of appropriate contingency plans to cover the absence of the Clerk / RFO, the Council should consider amending the Annual Governance Statement at Box 1, Section 1 in the Annual Return.

Rec. No.	Recommendation	Response
Review of Accounting Records & Bank Reconciliations		
R1	In order to simplify the task of identifying the analysis of receipts and payments for inclusion in budget reports and the year's detailed Statement of Accounts, consideration should be given to the inclusion of appropriate analysis columns in the cashbook.	
Review of Corporate Governance		
R2	The Council should ensure that appropriate contingency arrangements are put in place to ensure compliance with the statutory deadlines for the production and formal adoption of the year's Annual Return.	
R3	The Council will need to ensure that, should any contractual obligations arise exceeding the £25,000 tendering EU legislative reporting requirements, appropriate measures are taken to ensure compliance.	
R4	The extant Standing Orders and Financial Regulations should be revised in line with the latest NALC Models to reflect the above changes in EU contract reporting requirements, ideally setting a lower value as indicated in the body of the report and to reflect actual approved working practice.	
R5	Detail of individual cheque numbers and Direct Debits should also be recorded in the minutes for each approved payment.	
Review of Expenditure		
R6	Where no formal invoice is available to support a payment, a proforma should be prepared and be retained on file in order to afford a complete audit trail: where the payment refers to a grant or donation, a copy of the appropriate approving minute would suffice.	
R7	Consideration should be given to the acquisition of a suitably designed rubber certification stamp to be affixed to each invoice or proforma invoice supporting payments incorporating the detail as indicated in the body of this report.	
R8	VAT reclaims should, in future, be prepared and submitted more frequently and ideally cover the full financial year in line with the Council's Financial Regulations.	
R9	Where VAT is incurred on miscellaneous expenses by the clerk, detail could and should be identified for recovery from HMRC.	

Rec. No.	Recommendation	Response
Assessment and Management of Risk		
R10	Consideration should be given to the acquisition of the LCRS software or, as a minimum, expanding the existing register's assessments to include and address, inter alia, more robust concerns such as the potential risks arising from staff changes or unavailability.	
Budgetary Control & Reserves		
R11	The Council should establish the exact nature of the charitable account(s) for which it acts as custodian trustee: given their low value and lack of transaction activity, the Council should, in conjunction with the external auditors, determine whether or not the funds should be transferred to separate bank account(s).	
Review of Income		
R12	Section 2, Boxes 2 & 3 of the year's Annual Return should be amended to record the Council Tax Support Grant as "Other Income" rather than as part of the Precept.	
Review of Payroll		
R13	The payroll service provider should be requested to include detail of employees' tax codes on the monthly schedules summarising payroll computations. Alternatively, a copy of each employee's monthly payslip should be attached to the file documentation.	
R14	Once a new clerk is appointed, he / she should be issued with a formal employment contract incorporating both the point in the national pay scale and basic weekly hours.	
Asset Register		
R15	Consideration should be given to the development of a photographic register of the Council's asset stock in order to assist in the smooth progression of any insurance claim that may arise as a result of theft or damage to the property.	
R16	The Annual Return asset value, as recorded, requires uplift to include the new laptop and Christmas lights acquired during 2015-16.	
Statement of Accounts / Annual Return		
R17	Given the failure to meet the statutory timetable for adoption of the Annual Return and absence of appropriate contingency plans to cover the absence of the Clerk / RFO, the Council should consider amending the Annual Governance Statement at Box 1, Section 1 in the Annual Return.	