

FORNHAM ALL SAINTS PARISH COUNCIL

Meeting of the Chair, Vice-Chair and Clerk-RFO on 1st March 2018

Notes from the meeting held to discuss year-end procedures to enable Council to make an informed decision at its meeting on 20th March 2018 – agenda item 10v refers

1. PURPOSE OF MEETING

- i. Year-end Procedures – requirement under current Account & Audit Regulations for certain processes to be followed.
- ii. Formal review of work required for the completion of the annual accounts – part of annual process

2. YEAR END PROCEDURES

- i. Review of Standing Orders – noted only change is to SO18f – as such all agreed that existing SO were compliant with current legislation.
- ii. Review of Financial Regulations – noted only change is to FR11 via the footnotes - as such all agreed that existing SO were compliant with current legislation.
- iii. Review of Insurance Schedule including Fidelity Guarantee – Employees Dishonesty – cover is appropriate – in accordance with guidelines and at £25k for core and additional increase at £50k is appropriate for the maximum amount to be held.
- iv. Review of Asset Register – note changes cover the slight drop in value of War Stock & Shares. However existence of Rotavator was questioned. (HQ to ascertain existence)
- v. Review of Asset Register versus Insurance Schedule – noted and agreed that existing cover was sufficient.
- vi. Review of Financial Risk Assessment – noted areas for Medium risk and how they would be dealt with. Earmarked Reserves – Council reviews this on an annual basis and allocates sums of money which have a high chance of being used – General Reserves should be sufficient for between 3-6 months of contractual duties.
- vii. Review of General Risk Assessment – Noted Cllr. Purnell as Asset Portfolio Holder had been asked to review Clerk's notes on the current state of assets. Play Area Inspection carried out on a monthly basis by St Edmundsbury B/C with an Annual Inspection by a RoSPA approved contactor. HQ to contact Diocese to ascertain risk assessment for graveyard which the Parish Council pays to be cut by St Edmundsbury B/C.
- viii. Review of Internal Controls – appropriate for ensuring that Council is fully compliant with regulations for the production of accounts for internal and external audit.
- ix. Review of Audit Plan – the meeting reviewed the terms of reference for the internal audit work to be carried out and agreed that it was appropriate for a Council the size of Fornham All Saints.
- x. Recommendation of appointment of Internal Auditor – The Chair and Vice-Chair agreed that they would be recommending to full Council the appointment of Trevor Brown to carry out the internal audit for the accounts ending 31st March 2018.

3. ANNUAL PROCEDURES

- i. Completion of Internal Control Report – carried out by Chair, Vice-Chair and RFO – discussed issues re GDPR compliance etc.
- ii. Signing off of the most recent bank statement to bank reconciliation – carried out to 31.01.2018 by HQ on 01.03.2018
- iii. Review of Internal Audit for the year ending 31.03.2017 – further review carried out by Chair and Vice-Chair – noted no issues raised as presented at the Parish Council Meeting in May 2017
- iv. Review of External Audit for the year ending 31.03.2017 – further review carried out by Chair and Vice-Chair as presented at a meeting of the Parish Council in Sept 2017.
- v. Annual Governance and Accountability Return for 2017-2018 – there was a change in the forms – Parts 1, 2 and 3 – an explanation was provided for the change - explained reasons
- vi. Exemption from Limited Assurance Review – it was explained that this was not a full audit merely a review of this year's accounts versus the previous years and whether there was significant information provided for the external accountants to draw an opinion of the accounts presented. The RFO explained what they would look at for 2017-2018 – Items 1, 6 and 7 of AGAR. There was an option for the Parish Council to declare itself Exempt once accounts are finalized.

The **qualifying criteria for an authority to declare itself as exempt** are as set out in Regulation 9 of the Local Audit (Smaller Authorities) Regulations 2015:

- The authority certifies that during the financial year 2017/18, the higher of the authority's gross income for the year **or** gross annual expenditure for the year did not exceed **£25,000**;
- The authority has been in existence since before 1st April 2014;

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- In relation to the preceding financial year (2016/17), the external auditor **has not**:
 - issued a public interest report in respect of the authority or any entity connected with it;
 - made a statutory recommendation to the authority, relating to the authority or any entity connected with it;
 - issued an advisory notice under paragraph 1(1) of Schedule 8 to the Audit and Accountability Act 2014 (“the Act”), and has not withdrawn the notice;
 - commenced judicial review proceedings under section 31(1) of the Act;
 - made an application under section 28(1) of the Act for a declaration that an item of account is unlawful, and the application has not been withdrawn nor has the court refused to make the declaration;
- The court has not declared an item of account unlawful after a person made an appeal under section 28(3) of the Act.

If the Parish Council is able to confirm that the above statements apply and that the it did neither receive gross income nor incurred gross expenditure exceeding £25,000, then a Certificate of Exemption can be completed, signed and returned to the external auditor. This would be decided at the May 2018 meeting once the accounts had been finalised.

4. DATE OF NEXT PARISH COUNCIL MEETING FOR SUBMISISON OF A REPORT BASED ON THE ABOVE - 20th March 2018

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