

To Tackley Parish Council

AUDIT OF PARISH COUNCIL RECORDS FOR Q3, 1st September – 31st December 2015

As requested, I have audited the Parish Council financial records for the third quarter of year 1st April 2015 to 31st March 2016 and have the following comments to make.

Issues raised by external auditors BDO to be completed by end of financial year – 31/03/16

The issues raised in this report were audited and the following comments refer to their current status. (The Issues Arising Report prepared by BDO dated 30th September 2015 should be referenced for clarification where necessary.)

1. **Issue:** Risk Assessment not carried out as part of the Council's review of the effectiveness of internal control during the year.

It is noted that the Parish Council have allocated a task force to take the draft risk assessment document forward.

Action:

The approved and reviewed Risk Assessment Register and Council Standing Orders need to be available for the next audit to be completed in April, 2016.

2. **Issue:** Minuting of the Internal and External Auditor's Reports not being reported to council.

The receipt and review of the report from BDO was minuted however there was no minute noting receipt or review of the internal auditors report.

Action:

The internal audit report must be formally reported, reviewed and recorded in the minutes in future. Issues reported by both auditors must either be the subject of an action plan or the planned action recorded in the minutes, this is to ensure the issues are dealt with appropriately.

3. **Issue:** Fixed Asset Disclosure on annual return incorrect.

Action:

None, this has now been rectified.

4. **Issue:** Minor issues regarding two figures on Annual Return.

- a. Council have included grant monies received in box 2 rather than box 3 other receipts.

Action:

None. This finding was incorrect; box 2 included only the amount of precept received as required.

- b. Council have added extra digit to box 6.

Action:

This finding was correct and was obviously a 'typo', in future, the figures on the Annual Return should be double checked before submission.

5. **Issue:** Budgetary Process: Internal auditor reviewed process and highlighted that council did not monitor its budget during the year. This raised two points for action.

- a. The council must ensure the acceptance of the budget is minuted.

Action:

This is in hand but must be completed.

- b. The council must regularly review the actual income and expenditure against budgeted income and expenditure. The council should monitor the budget at least quarterly or more frequently if required.

Action: The budget is not currently being reviewed at any point. Reference to the budget could usefully become part of the process of approving requests for future expenditure. A more formal review of the budget should be completed quarterly.

6. **Issue:** Minuting Approval of Annual Return.

The minutes supplied did not specifically minute the council's approval of Sections 1 and 2 of the Annual Return.

Action:

The appropriate approval must be recorded in the minutes when the Annual Return is completed for 2015/16.

7. **Issue:** Minutes.

Council produced printed minutes and the pages were not numbered or initialled by the person.

The pages are all now being numbered consecutively.

Action:

The pages are not being initialled by the person signing the minutes and this needs to be addressed and continued for the future.

Other Comments

Budget

Further work needs to be done to ensure that the budget cross refers accurately to the payments and receipts accounts.

Budget for 2016/17 may need to be further reviewed in light of any requirements that may arise from Risk Assessment and Fixed Assets Reviews.

Standing Orders

The council need to find the existing or create a new version of Standing Orders which will include rules of procedure laid down in legislation and additional regulations chosen by the council to help the council to operate smoothly. This document must be available for the next audit in April.

Insurance

As well as the standard insurance to cover public liability, etc., the council needs to ensure insurance cover also includes:-

Officials Indemnity

Libel and Slander (see following page)

Personal Accident

Legal Expenses

Employer's Liability

Judy Robson

16th January 2016

Libel and Slander

In today's litigious society we strongly recommended that all Councils have Libel & Slander cover to protect the Council and its members from a defamatory statement, either in a written or spoken form.

There are various scenarios in which a Council may need to ensure this protection is in place, eg a local contractor tenders for a Council contract, a Councillor who knows the contractor as the 'dodgy geezer from down the pub', and not the type of person with whom the Council should associate themselves. This comment is then recorded in the minutes of the meeting and published. The contractor sues the Council stating he has lost business due to this not only being said in the Council meeting but also because the Council recorded and published it.

Another area where claims have increased is emails; mainly due people using the 'reply to all' or 'forward' buttons and not reading the whole email before doing so. A claim was made against a Councillor because he failed to note that a comment at the bottom of the email should not have been made public. Unfortunately, this is becoming a common error, with an associated increase in claims. Please think carefully before using the 'reply to all' or 'forward' buttons.

We have also found that minutes of Council meetings can generate libel claims. A case in point being the Council and Clerk new to their roles; the Clerk had taken comprehensive minutes which were then published. When a member of public read that he had 'strongly disagreed' with the chairman he contacted the Council to complain. He felt the minutes misrepresented the situation and as a direct result he lost business in the community. For this reason he wanted the comment removed from the minutes, a public apology, and he then made a claim against the Council.

Other mediums in which to be mindful are social media and websites where comments can be left. If Councils have Facebook, Twitter, blogs or a website, they should have procedures in place to ensure they are edited on a regular basis and any inappropriate comments are removed.

As the meetings are now occasionally being recorded by some parishioners this is of particular importance.