

## Abbots Langley Parish Council

Council Offices  
Langley Road  
Abbots Langley  
Herts  
WD5 0EJ

19th July 2016.

To Members of the Finance and Administration Committee

Councillors Sara Bedford, Lyn Ferguson, Brenda Kersey (Chairman), Alex Michaels, Jane Lay, & Hitesh Tailor.

The next meeting of the Finance & Administration Committee will be held at the above address on Monday 25th July 2016 at 6:00 pm, when your presence is summoned for the purpose of transacting the business outlined below.

The press and public are welcome to attend the meeting.

Tim Perkins  
Clerk to the Council

### AGENDA

1. **Apologies for Absence**  
To receive and accept apologies for absence.
2. **Declarations of Interest**  
To receive declarations of interest in items on the agenda.
3. **Public Participation**  
To note if any members of the public have requested to speak at this meeting, in accordance with the Parish Council's Public Speaking Arrangements.
4. **To confirm the Minutes of the Meeting held on 25th April 2016 (previously circulated).**
5. **Committee Vice-Chairman**  
To appoint a Committee Vice-Chairman for the 2016-2017 municipal year.
6. **Internal Audit**
  - i. To consider the report from the internal auditor. (See Clerk's report item 1 and enclosed report.)
  - ii. To review the effectiveness of internal audit. (See Clerk's report item 2.)
  - iii. To appoint the internal auditor of the financial year 2016-2017. (See Clerk's report item 3.)
7. **Risk Assessments**  
To consider the Financial and Business Risk Assessment. (See Clerk's report item 4 and enclosed risk assessment.)
8. **Budget Monitoring Report**  
To consider the budget monitoring report for Q1 2016-2017. (See Budget Tracking Report enclosed.)
9. **Budget Preparation Schedule**  
To consider the Budget Preparation Schedule for 2016-2017 (enclosed).
10. **Credit & Debit Card Charges**  
To consider the elimination of charges to customers on debit and credit card payments. (See Clerk's report item 5.)

## Abbots Langley Parish Council

### 11. Grant to Henderson Hall Managing Trustees

To consider the arrangements for the 2017-2018 grant.

(Discussion brought forward from the October meeting of this committee. Refer min. 306, Parish Council, 11<sup>th</sup> January 2016)

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**1. Internal Audit**

Enclosed is Auditing Solutions final report for the financial year 2015-2016.

The committee has considered and responded to the minor items that were raised on the earlier audits.

The final review did not raise any items that required attention.

**2. Effectiveness of Internal Audit**

Members are required to review on an annual basis the effectiveness of internal audit.

**Scope**

In 2010-2011 Auditing Solutions provided a copy of their full work plan which members agreed. I have checked with them and the plan used this year is substantially the same as there have been no significant legislative changes. Also, as the Parish Council has received good internal audit reports, there are no areas that require any form of special review.

Members need to be satisfied that the quality of the reporting provided by Auditing Solutions and the depth and breadth of their audits is appropriate.

**Independence**

Members also have to be satisfied that Auditing Solutions are independent and detached from the process of preparing the Parish Council's accounts and that they have no commercial or other relationships with either members or officers of the council, beyond the fee based arrangement for auditing services.

**Competence**

The auditors who carry out our internal audit are professionally qualified and hold indemnity insurance. They also have significant experience of auditing local councils so are aware of the legislative requirements specific to the sector.

**Relationships**

Officers are satisfied with the working relationship with Auditing Solutions, we are involved in the planning of audit and whilst we do not consider they are a "soft touch", their cooperative working style makes the sometimes difficult audit process more bearable.

**Planning and Reporting**

Audits are planned well in advance and areas of risk management are covered in the work plan.

The Chairman of this committee will meet with the audit principal later this year, without officers present, this will give both the opportunity to review the audit and current controls.

Officers believe that the current internal audit process is effective, thorough and cost effective.

**3. Appointment of an Internal Auditor**

The papers from BDO required for the 2013-2014 external audit inferred that the PC should be appointing its internal auditor on an annual basis. If this is the case then I (and other Clerks) have missed a memo. There is a requirement to assess the effectiveness of internal audit, as above.

In case this does come up as an issue, appointment of the internal auditor will be a standing item at this July meeting.

In Hertfordshire there was previously a split, with PC/TCs on the western side of the county mainly using Auditing Solutions (they provide internal audit services to all Three Rivers area PC/TCs) and elsewhere, mainly in the east, DC audit departments provided the service.

Following cutbacks and a couple of cases where DC's got taken to court for ineffective audit (not in this area) DCs are moving away from providing audit services to PC/TCs and

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Auditing Solutions are picking up the work. Some of the smaller PCs use local accountants to audit, but that is not appropriate for a council of our size, as these local firms will not have the knowledge and experience of local council finances and the regulatory frameworks.

The landscape for audit across local councils and other statutory bodies is likely to change over the next few years, as the role of the Audit Commission disappears and potentially appointed financial services companies, like BDO, pick up some of this work. Google "audit commission the future of local council audit" for much more information.

Until the overall audit picture changes and possibly new providers of internal audit services emerge, who are experienced in the specifics of local council audit, then officers recommend re-appointing with Auditing Solutions as provider of internal audit services for FY 2016-2017.

#### **4. Business & Financial Risk Assessment 2016-2017**

There have been a number of minor updates to the above. No additional sections added.

Key points to draw to member's attention are:

- p3. Fidelity Insurance increased to £1.5m, predicted balance high point in October 2016.
- p4. A further bank signatory would be useful.
- p8. Four submissions received on the outsourced IT contract. One further due following vendor meeting on 20<sup>th</sup> July. Progress slower than hoped, due mainly to my availability. Hope to have a recommendation for next meeting and for inclusion in the budget.
- p9. Succession Planning and Business Organisation which rests with the Staffing Committee should be considered a high priority.

#### **5. Credit & Debit Card Charges**

It was with some reluctance members agreed (early 2011) that the Parish Council should start taking debit and credit cards for the payment of venue hire charges in the office and bar sales in the Manor House.

One of the conditions of permitting card use was that the cost of using the card was to be added to customer's charges.

It was agreed that the charge would be £2 for every debit card transaction and 3% for credit cards, which was in excess of the actual cost. This is solely for payments made in the office.

In the Manor House there is a minimum credit card spend of £10.00 for bar sales, below that a £0.50 is added to the cost of drinks.

The cost recovery over the past few years has been:

2015-2016	£104.81
2014-2015	£112.41
2013-2014	£86.63
2012-2013	£123.01

Given the fairly insignificant amount of the cost recovery and the customer dissatisfaction that these charges cause, officers are recommending that they are eliminated with immediate effect.

**Tim Perkins**  
Clerk to the Council  
19th July 2016