**Oakthorpe Donisthorpe and Acresford Parish Council**

**Council Meeting July 202**

**Finance Report - Clerk**

**1. Internal Audit 2021 - Recommendations**

The annual report of the Internal Auditor was accepted by the Council at its meeting on 14 July 2021. There were several recommendations made in the report where the Council is required to take appropriate action to help enhance and strengthen the internal controls that exist.

A summary of the recommendations and action taken is as follows:

* + 1. ***Suggest the Council consider the payment information be included in the minutes when released to the website to ensure transparency, Expenditure over £500 as per the “Local Government Transparency Code” has to be displayed on the Council website each quarter and currently is not.***

The clerk contacted the internal auditor to question this recommendation as the information in the transparency code differed from that advised. The code states that compliance with the Transparency Code for Smaller Authorities is mandatory for sub-£25k turnover councils but only advisory for councils with a turnover between £25k and £200k. As the Parish turnover falls between these amounts then compliance does not apply.

The internal auditor also stated

*‘I personally tend to encourage councils over £25k to follow the above £200k format as it is good practice to promote transparency and it is good to see you planning to have this information published.*

*To support the point it may also be useful to view MHCLG guidance, where councils such as Oakthorpe '...are still legally required to publish their accounts electronically and make their meeting agendas, minutes and associated documents publicly available as well as provide a register of their councillors' interests.'

Further details are provided in the Open and Accountable Local Government; Plain English Guide:*[*https://www.gov.uk/government/publications/open-and-accountable-local-government-plain-english-guide*](https://www.gov.uk/government/publications/open-and-accountable-local-government-plain-english-guide) *that underpins the Openness of Public Bodies Regs 2014.  In MHCLG's opinion, 'taking the small step to comply with the council's transparency requirements is the sensible way to meet the requirements of the 'Openness' Regs.'.*

*Apologies if I have mislead you and I have noted for myself in the future to ensure this is detailed more as a recommendation for transparency purposes as opposed to a mandatory point’*

As the council does comply with the MHCLG guidance, particularly in regard to publishing all its payments, it appears that to further publish payments over £500 would be unnecessary duplication.

**Members’ instructions are required**

* + 1. ***Suggest the Council may wish to display bank balances and payments list quarterly to comply with transparency requirements.***

A bank reconciliation statement and payments list is now published with every Council Meeting agenda and on the Council’s website

* + 1. ***I strongly recommend the Council review their payment policy and introduce a second tier of approval leaving the clerk to load the BACS payments but another person (Chair / Vice Chair) to approve.***

Enquiries have been made with the bank and the facility for a second tier approval is currently not available with HSBC. Unity Trust bank do provide this facility but they do charge for banking and currently have no investment facilities. If the Council chose to move their banking to Unity Trust I estimate charges would be in the region of £120 per annum. There is the option to implement a revised system of making payments which has been be incorporated into the review of financial regulations and standing orders. This would involve an annual review of regular, statutory and contractual payments and the payment of other invoices only taking place once the list has been approved at each Council meeting.

**Members’ instructions are required**

* + 1. ***Cash receipts system is currently under review and I recommend a more robust process and audit trail be adopted.***

These systems will be reviewed by the vice chair and clerk as soon as circumstances permit and a report of any actions taken or decisions required will be made to Council.

* + 1. ***Display the Internal Audit Report 2019***

This has been actioned and the report for 2020 has also been displayed on the Council’s website.

* + 1. ***Consider computerising Cemetery documents.***

This is being considered by the Joint Burial Committee and if there is a recommendation to proceed this will be put to both Oakthorpe and Ashby Woulds Councils.

**2. Payments**

In order to comply with paragraphs 5.6 and 6.7 of the Council’s Financial Regulations the following due payments that arise on a regular basis will be authorised for the year:

**Statutory/Obligation**

Salaries, PAYE, NI and Pension Fund

**Continuing Contracts**

Ellis Witham £2400 (plus insurance costs per employee)

SDI Garden Services £3615

Richard Evans £4550

**Licencies**

Licensing Authority – TV Licence

Scribe – Accounting Software

**Utilities**

Water Plus

**Direct Debits**

EON

Plusnet

Any payments made will still be reported to the next appropriate meeting of the Council along with remaining invoices requiring approval for payment.

**Decision required**