

Finance and Audit 2016

1 AUDIT

EXTERNAL AUDIT

From April 2017, external audit will be by a sector-led body (Smaller Authorities Audit Appointments Ltd), once the current contract with Grant Thornton comes to an end. Councils have the option of opting out of this arrangement and appointing their own independent external auditor. The deadline for opting out for 2017 onwards is 31 March 2016. Please see the document *Audit Panels Guide*, which gives details of how this should be done. This would be a costly and time-consuming exercise for members of the council and the clerk. WALC advice is that councils should **not** opt out of the SAAA arrangement. For 2017, SAAA fees for a council with a turnover of £25,000 - £50,000 will be £200.

Recommendation: That the council does not opt out of the sector led external audit arrangements

2 INTERNAL CONTROLS

Internal controls cover: financial regulations, finance policies, risk management, financial reports to council and internal audit. It is recommended that a group carries out periodic planned checks on the accounts and reviews the internal controls, reporting back to the council on these, with the visits minuted.

Recommendation: That a group is established, consisting of the chairman or vice-chairman and one other councillor, to meet with the clerk twice a year to review the half-year and year-end accounts and supporting documents and, at the half-year meeting, to review the internal controls. Meetings to be recorded in the council minutes and recommendations to be brought to the council.

3 APPROVAL OF YEAR-END ACCOUNTS AND ANNUAL RETURN

It is recommended that draft accounts are considered prior to the meeting at which they are approved. Previously, year-end accounts have been approved and the annual return signed off at the May meeting. Timings for the exercise of public rights to view the accounts have changed and this period must now include the first ten working days of July and last for thirty consecutive working days; the earliest this can begin for 2015/16 accounts is 3rd June.

Recommendation: That the draft accounts are circulated a week prior to the May meeting, any queries are raised at this meeting and the accounts are approved and annual return signed off at the June meeting.