

Minutes of the Parrett Policy, Finance and Governance Sub Committee held on Tuesday 19 June 2018 10:30hrs at Bradbury House, 33-34 Market Street, Highbridge.
Chairman: Mr C Passmore

1 **Attendance & Apologies for Absence:** As per register appended. The Chair welcomed Adam Williams from South West Audit Partnership.

2 **Items Additional to the Agenda:** None

3 **Declarations of Interest:** None at this time.

4 **Minutes of the P, F&G meeting held on 23 January 2018:** (appended Enc 1) Having previously been circulated and no comments received, the Minutes were signed by the Chairman as a true and accurate record of the meeting held.

5 **Matters arising:** None.

6 **Audit:** Appended Enc 2. Although the internal audit review was considered as satisfactory, it was noted that some weaknesses require further action to improve or maintain the accuracy of records.

Part B: *The body's financial regulations have been met, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.* The Audit Report recommended a review of the procurement rules on threshold limits, currently set at £250, to provide greater flexibility to Officers in purchasing items without the need for written quotations. An Approved Supplier List (ASL) was in progress of generation which would also provide flexibility and a more appropriate control framework to the procurement process

Action 1 The Clerk took an Action **to produce a report for the next Policy, Finance & Governance (PFG) meeting of actions taken to address the SWAP Annual Audit findings.**

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Proposed T Bradford, Seconded Cllr I Dyer 'that the Clerk produce a report to address the SWAP annual audit findings.' Vote: unanimous RESOLUTION 1

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Part C: *The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.* Although it was evident that Risks were being captured and reviewed on a regular basis, the Clerk commented that further work was necessary (See AI 10).

Part E: *Expected income was fully received, based on correct process, properly recorded and promptly banked; and VAT was appropriately accounted for.* Income – the Drainage Rating System (DRS) provided a reconciliation process with the accounts system.

Part F: *Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.* The Board did not use Petty Cash, however Government Procurement Cards (GPC) were used and segregation of duty was evident. All VAT receipts needed to be included with GPC statement reconciliations and internal processes to ensure all GPC Purchases were evidenced with accompanying receipts and Transaction Logs was required to be implemented by all Officers, especially Expenditors.

Part G: *Salaries to employees and allowances to members were paid in accordance with body approvals, and PAYE and NI requirements were properly applied.* Minor weaknesses were identified with the authorization process for claims, however there was a satisfactory division of duties.

Part H: *Asset and investments registers were complete and accurate and properly maintained.* An asset register and building inventory were held, however regular annual reviews of assets was recommended.

Part I: *Periodic and year-end bank account reconciliations were properly carried out.* Bank statements are to be reviewed regularly to not diminish the value of the control. An independent review was recommended i.e. a Board Member.

Action 2 The Clerk also took an Action **to develop and Audit Plan for consideration at the next PFG meeting to focus on Internal Audit activities for the coming financial Year.**

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7 **Budgets:**
Parrett Balance Sheet & P&L Account Year Ended 31 March 2018: (TOR Refs: 7, 9, 10) Appended at Enclosures 3 and 4.
SMG provided an overview of the explanatory notes, advising that he was satisfied with the

