



Edenbridge Town Council

Town Clerk: Christine Lane CertHE Local Policy



To: Cllrs T Bryant, Mrs J Davison, R Davison, A Layland, S McGregor, B Orridge, M Robson, J Scholey and B Todd.

A meeting of the FINANCE COMMITTEE will be held in Rickards Hall at 7.45pm (or shortly after) on 22 February 2016.

AGENDA

1. **APOLOGIES FOR ABSENCE**
2. **DECLARATIONS OF INTERESTS OR PREDETERMINATION**, including any interests not already registered
3. **TO CONFIRM THE MINUTES OF THE FINANCE COMMITTEE HELD ON 25 JANUARY 2016**
4. **MATTERS ARISING FROM THE MINUTES FOR REPORT AND NOT COVERED ELSEWHERE (FOR INFORMATION ONLY)**
5. **FINANCIAL STATEMENT AND ANALYSIS OF RECEIPTS AND PAYMENTS**
To approve the month's Financial Statement as at 31 January 2016.
To approve the analysis of receipts and payments, and the details of invoices for payment.
To approve and accept the transfers into, out of and between accounts of the Capital Fund.
To approve the Financial Comparisons to 31 January 2016.
6. **FINANCE BUSINESS**
 - 6.1 **Review of Financial Regulations**
 - 6.2 **Review of Financial Risk Assessment**
 - 6.3 **The Future of External Audit for Smaller Authorities**
 - 6.4 **Epitaph & AdvantEDGE Contract Renewal**
7. **FINANCE CORRESPONDENCE**
None
8. **PRESS RELEASE**

Members of the public are invited to attend and there is an opportunity for public questions or statements at full Council, Planning and Transportation and Open Spaces Meetings. There is no such facility at other committee meetings. Copies of the agenda and background papers, except any exempt items, are available from Doggetts Barn before the meeting and plans can be examined there (Monday – Fridays 9am – 5pm)

Council offices: Doggetts Barn, 72A High Street, Edenbridge, Kent TN8 5AR

Office hours: Monday – Friday 9.00am – 5.00pm **Tel:** (01732) 865368 **Fax:** (01732) 866749

Email: townclerk@edenbridgetowncouncil.gov.uk **Web:** www.edenbridgetowncouncil.gov.uk

6. FINANCE BUSINESS

6.1 Review of Financial Regulations

The Council has received notification from National Association of Local Councils (NALC) of updates to the Model Financial Regulations. The attached document shows only the amended items, with this Council's current Financial Regulations showing in black and the amendments following in red. A full copy of the current Financial Regulations adopted in May 2015 are available on the website.

Do members wish the Financial Regulations to be updated based on the Model Financial Regulations, and do members suggest any further amendments?

Do members approve the review of the Financial Regulations?

6.2 Review of Financial Risk Assessment

Members will recall that the Risk Assessment document was updated, last year. A copy of the Financial Risk Assessment is attached for members' information. No amendments are proposed at this time.

Do members approve the review of the Financial Risk Assessment?

6.3 The Future of External Audit for Smaller Authorities

Information has been received from Kent Association of Local Councils (KALC) on the future of External Audit for Smaller Authorities. A new organisation has been created to take over the appointment of external auditors and setting of fees for smaller authorities from 2017. The company 'Smaller Authorities Audit Appointments Ltd' will appoint auditors on behalf of Councils for a 5 year period, as the Audit Commission did previously. This will happen automatically unless Councils decide to opt out. The deadline for deciding to opt out is 31 March 2016. Councils opting out will have to set up an independent Audit Panel to procure external Audit for themselves. Full details are being circulated with the papers. The Internal Audit Group may wish to include this as an item on their list for consideration in the future.

Do members agree this Council should remain opted in for the 5 year period beginning in 2017?

6.4 Epitaph & AdvantEDGE Contract Renewal

The Council's 5 year contract with Edge Designs is due to expire on 23 April 2016. This is the software package used for the Cemetery and Finance. The RFO has received details on the renewal packages available. The price includes remote support, software upgrades and data backups. The cost per annum is £635.50 for a 5 year contract and £704.00 for a 3 year contract.

Do members wish the RFO to renew the contract for 5 years, and take advantage of the saving of £68.50 per annum for 5 years?

7. FINANCE CORRESPONDENCE

None

8. PRESS RELEASE

Are there any items on the Agenda for which members would like to issue a press release?

Daphne Slater
17 February 2016

5.1 Financial Summary - Cashbook

Summary between 01/04/15 and 31/01/16 inclusive.

Balances at the start of the year

Ordinary Accounts

Barclays General Account	£143,864.80
Lloyds General Account	£40,000.00
Petty Cash	£200.00

Short Term Investment Accounts

Barclays Capital Reserves	£100.00
Barclays General Reserves	£0.00
Lloyds TSB - Deposit Acc	£350,000.00
Nat West Business General XX	£0.00
Nat West Business Reserves XX	£0.00
Total	£534,164.80

RECEIPTS	Net	Vat	Gross
Council	£135,671.00	£0.00	£135,671.00
Open Spaces	£189,279.79	£1,719.24	£190,999.03
Central Services	£212,898.98	£193.58	£213,092.56
Emergency Planning Committee	£200.00	£0.00	£200.00
Community Warden	£17,020.00	£0.00	£17,020.00
Total Receipts	£555,069.77	£1,912.82	£556,982.59

PAYMENTS	Net	Vat	Gross
Council	£165,275.23	£24,364.25	£189,639.48
Open Spaces	£143,376.26	£8,343.47	£151,719.73
Central Services	£175,343.45	£4,915.16	£180,258.61
Emergency Planning Committee	£144.29	£9.66	£153.95
Public Toilets	£0.00	£0.00	£0.00
Community Warden	£15,035.13	£112.28	£15,147.41
Total Payments	£499,174.36	£37,744.82	£536,919.18

Closing Balances

Ordinary Accounts

Barclays General Account	£18,851.52
Lloyds General Account	£40,000.00
Petty Cash	£200.00

Short Term Investment Accounts

Barclays Capital Reserves	£127,968.63
Barclays General Reserves	£67,208.06
Lloyds TSB - Deposit Acc	£300,000.00
Nat West Business General XX	£0.00
Nat West Business Reserves XX	£0.00

Total **£554,228.21**

5.2 Received Income Transactions

between 01/01/16 and 16/02/16

Start of year 01/04/15

Paying Heading ref.	Received date	Tn no	Gross	Vat	Net	Details
10043	14/01/16	31847	£5.75	£0.00	£5.75	UK Power Networks Wayleaves
10043	14/01/16	31848	£5.75	£0.00	£5.75	UK Power Networks Wayleaves
10043	14/01/16	31849	£105.80	£0.00	£105.80	S Smith & Son Cemetery Fees
10043	14/01/16	31850	£18.87	£0.00	£18.87	Church House Pre-School Hire of Rickards Hall
10043	14/01/16	31851	£321.40	£0.00	£321.40	New Life Church Biggin Hill Hire of Rickards Hall
10043	14/01/16	31852	£45.30	£0.00	£45.30	Eden Valley Museum Trust Hire of Rickards Hall
10043	14/01/16	31853	£990.33	£0.00	£990.33	Eden Valley Museum Trust Building Insurance
10043	14/01/16	31854	£22.50	£0.00	£22.50	Eden Valley Museum Trust Pest Control
10043	14/01/16	31855	£1,000.00	£0.00	£1,000.00	Eden Valley Museum Trust Quarterly rent
10044	14/01/16	31845	£114.14	£9.75	£104.39	Sale of Brown Sacks / Other
10044	14/01/16	31846	£81.42	£9.42	£72.00	Sale of Brown Sacks / Other
10045	21/01/16	31860	£20.00	£0.00	£20.00	Cemetery Fees
10045	21/01/16	31861	£94.08	£10.50	£83.58	Sale of Brown Sacks / Other
10046	21/01/16	31856	£257.40	£0.00	£257.40	Cemetery Fees
10046	21/01/16	31857	£85.80	£0.00	£85.80	Cemetery Fees
10046	21/01/16	31858	£10.00	£0.00	£10.00	Cemetery Fees
10046	21/01/16	31859	£260.00	£0.00	£260.00	The Edenbridge Club Share of tree reduction
10047	03/02/16	31864	£49.80	£0.00	£49.80	Hire of Rickards Hall
10047	03/02/16	31865	£240.70	£0.00	£240.70	Hire of Rickards Hall
10047	03/02/16	31866	£231.72	£0.00	£231.72	New Life Church Biggin Hill Hire of Rickards Hall
10047	03/02/16	31867	£69.52	£0.00	£69.52	Evolution Dance Academy Hire of Rickards Hall
10047	03/02/16	31868	£63.20	£0.00	£63.20	Edenbridge & District Hire of Rickards Hall
10047	03/02/16	31869	£49.80	£0.00	£49.80	2nd Edenbridge Brownies Hire of Rickards Hall
10047	03/02/16	31870	£1,020.00	£170.00	£850.00	Hire of Rickards Hall Half yearly salary & admin costs
10047	03/02/16	31871	£196.25	£0.00	£196.25	W I Hall Mgmt. Committee Cemetery Fees
10047	03/02/16	31872	£53.35	£0.00	£53.35	Cemetery Fees
10047	03/02/16	31873	£151.00	£0.00	£151.00	Allotment Holders Allotment rents

33/3/2

5.2 Received Income Transactions

Start of year 01/04/15

between 01/01/16 and 16/02/16

Paying Heading ref.	Received date	Tn no	Gross	Vat	Net	Details
10048	03/02/16	31862	£99.30	£10.50	£88.80	Sale of Brown Sacks / Other
10048	03/02/16	31863	£596.70	£0.00	£596.70	Cemetery Fees
DC160104	04/01/16	31875	£76.10	£0.00	£76.10	Rent of Mowshurst Garage
DC160105	05/01/16	31878	£75.50	£0.00	£75.50	Helen Jane School of Dance
DC160105	05/01/16	31879	£154.48	£0.00	£154.48	Helen Jane School of Dance
DC160113	13/01/16	31876	£39.30	£0.00	£39.30	PCC of Edenbridge
DC160122	22/01/16	31881	£593.52	£98.92	£494.60	Sevenoaks District Council
DC160126	26/01/16	31880	£15.80	£0.00	£15.80	PCC of Edenbridge
TR160131	31/01/16	31874	£2,625.00	£0.00	£2,625.00	Community Warden Steering
Total			£9,839.58	£309.09	£9,530.49	Management Costs

37/1

32

32

32

32

34/2

32

27/5

5.3 Paid Expenditure Transactions

between 01/01/16 and 16/02/16

Start of year 01/04/15

Cheque	Paid date	Tn no	Gross	Vat	Net	Details	Heading
100069	26/01/16	36495	£225.00	£0.00	£225.00	Post Office Ltd	Vehicle licence wardens van 1126
100069	26/01/16	36496	£225.00	£0.00	£225.00	Post Office Ltd	Vehicle licence land rover 307/2
DD1600104PT	04/01/16	36505	£456.00	£0.00	£456.00	Sevenoaks District Council	Council Tax Toilets 221/1/1
DD160104	04/01/16	36506	£136.11	£22.68	£113.43	Petrocell Holdings Ltd	Fuel 307/5
DD160104AV	04/01/16	36507	£738.69	£0.00	£738.69	Aviva	Insurance 205/1
DD160104D	04/01/16	36504	£317.00	£0.00	£317.00	Sevenoaks District Council	Council Tax Depot 301/1/1
DD160104DB	04/01/16	36500	£442.00	£0.00	£442.00	Sevenoaks District Council	Council Tax Doggett's Barn 201/1
DD160104MB	04/01/16	36501	£185.00	£0.00	£185.00	Sevenoaks District Council	Council Tax for Mowshurst Barn 301/1/2
DD160119o2	19/01/16	36511	£9.00	£1.50	£7.50	O2	Broadband for iPad 201/6/3
DD160120	20/01/16	36514	£245.45	£32.70	£212.75	Contract Natural Gas Ltd	Church House Gas 220/1
DD160122eon	22/01/16	36513	£814.09	£135.68	£678.41	E-On UK Plc	Street lighting 313
DD160125	25/01/16	36515	£183.69	£30.61	£153.08	Gazprom Energy	Church House Gas 220/1
DD160125MY	25/01/16	36502	£120.00	£0.00	£120.00	Sevenoaks District Council	Council Tax Market Yard 301/1/3
DD160125RH	25/01/16	36503	£163.00	£0.00	£163.00	Sevenoaks District Council	Council Tax Rickards Hall 222/1/1
DD160127F	26/01/16	36512	£106.45	£17.74	£88.71	Focus 4 U	Telephone 201/6/1
IB160114IR	14/01/16	36508	£3,173.28	£0.00	£3,173.28	Inland Revenue	
IB160114Pen	14/01/16	36510	£4,773.99	£0.00	£4,773.99	Kent County Council	Pension 200/2
IB160121Sal	21/01/16	36509	£12,234.80	£0.00	£12,234.80	Salaries - January	
IB160127o2	27/01/16	36499	£23.98	£4.00	£19.98	O2	Ground staff mobile 301/6/1
TR160131	31/01/16	36498	£2,625.00	£0.00	£2,625.00	Edenbridge Town Council	Management Costs 1121
Total			£27,197.53	£244.91	£26,952.62		

5.4 Edenbridge Town Council

Expenditure transactions - approval list

Start of year

01/04/15

Tn no	Cheque	Gross	Heading	Invoice date	Details	Cheque
36531	IB160223	£23.59	1125	02/12/15	FRS Country wear Ltd - Work boots	£233.23
36534	IB160223	£26.40	222/3/2	15/01/16	Jewson - Toilet seat cover	£109.81
36528	IB160223	£697.94	305/2/1/1	18/01/16	Fleet (Line Markers) Limited - Pitch marker	£1,433.42
36544	IB160223	£39.00	104	19/01/16	Streetlights - Lighting repairs	£135.60
36529	IB160223	£735.48	104	21/01/16	Fleet (Line Markers) Limited - Line marker Kombi MK1 with knob	£1,433.42
36543	IB160223	£96.60	104	21/01/16	Streetlights - Lighting repairs	£135.60
36536	IB160223	£21.58	1124	22/01/16	Kent County Council - Hi vis waistcoat & litter picker	£21.58
36537	IB160223	£67.09	304/1	22/01/16	Kidman's - Hydraulic oil	£67.09
36545	IB160223	£41.00		22/01/16	Vodafone -	£41.00
1		£22.50	1122		Community Warden Phone	
2		£18.50	201/9		Property manager phone	
36541	IB160223	£165.60	200/11	27/01/16	SLCC Enterprises Ltd - Regional roadshow 2016	£165.60
36526	IB160223	£760.80	222/2/3	28/01/16	The Colvin Cleaning Group - Rickards Hall	£760.80
36522	IB160223	£216.00	303/4/1	29/01/16	BSP (Knockholt) Ltd - Skip Hire	£216.00
36538	IB160223	£409.75	304/2	29/01/16	Leopards (Of Hever) Ltd - Oil, Fuel & hyd filters	£409.75
36540	IB160223	£98.00	108	31/01/16	Neighbourhood plan support	£98.00
36542	IB160223	£23.66	1124	31/01/16	Solo Protect - Lone working device	£23.66
36530	IB160223	£209.64	304/1	02/02/16	FRS Country wear Ltd - Ground staff clothing	£233.23
36533	IB160223	£83.41	305/4/1	02/02/16	Jewson - Hacksaw blades & sand	£109.81
36535	IB160223	£30.00	202/1	03/02/16	Window cleaning Doggett's Barn	£30.00
36527	IB160223	£7.00	208/5	06/02/16	D & M News & Off Licence - Weekly papers	£7.00
36524	IB160223	£283.76	203/3	08/02/16	Cannon (uk) Ltd - Photocopier hire	£815.20
36525	IB160223	£531.44	203/3	08/02/16	Cannon (uk) Ltd - Photocopier usage	£815.20
36539	IB160223	£493.80	104	09/02/16	PS Technology - HP M477 Printer, copier & fax	£493.80
36523	IB160223	£340.80	308/1/1	11/02/16	Cleansing Services Group - Wasted journey Carpark drains	£340.80
36532	IB160223	£120.00	305/6/4	16/02/16	Top soil	£120.00

Total

£5,522.34

5.5 Direct Debits January 2016

Date	Supplier	Amount
4	Aviva	738.69
4	Petrocell	136.11
	SDC Mowshurst Store	185.00
	SDC Market Yard	456.00
	SDC Doggett's Barn	442.00
	SDC Depot	317.00
19	o2 broadband for iPad	9.00
	CNG Ltd Church House	245.45
25	Gazprom Church House	183.69
23	E ON	814.09
	SDC Public Toilets	120.00
	SDC Rickards Hall	163.00
28	Focus 4 U	106.45
	o2 Ground staff mobile	23.98
14	Inland Revenue	3,173.28
14	KCC Pension	4,773.99
23	Salaries	12,234.80

5.6 Fund Transfer

Capital Reserves

Transfer In:	Nil	Groundwork UK – Grant for Neighbourhood Plan
Transfer Out:	£ 98.00	Neighbourhood Plan Admin

Revenue reserves

Transfer In: Nil

Transfer Out: Nil

5.7 Paragraphs 5.1 to 5.5 approved by resolution of the Council:

5.8 Invoices outstanding for more than 3months

5.9 Financial Comparisons

Comparisons between 1 April 2015 and 31 January 2016 Transactions with a ledger date prior to 1 April are excluded (actual amounts shown are net amounts) The balance is based on the 2015/16 Budget

Income for the Council	Budget	Actual	Balance	Expenditure for the Council	Budget	Actual	Balance
Precept	124,466.00	124,466.00	0.00	Working Balance	30,000.00	0.00	30,000.00
Working Balance	30,000.00		30,000.00	Contingencies	5,000.00	2,401.80	2,598.20
Contingencies	0.00		0.00	Grants	7,500.00	6,500.00	1,000.00
Grants/Capital	0.00	11,205.00	-11,205.00	Depreciation	69,173.00	17,944.86	51,228.14
C Depreciation Fund	0.00		0.00	Edenbridge Twinning Association	500.00	500.00	0.00
Property Fund	0.00		0.00	Eden Valley Museum	5,500.00	5,500.00	0.00
C Election Expenses	0.00		0.00	Earmarked Funds	1,500.00	106,554.62	-105,054.62
SDC Grant	0.00		0.00	Property Fund	32,893.00	22,219.82	10,673.18
Neighbourhood planning	0.00		0.00	Summer Playscheme	1,500.00	1,500.00	0.00
				Bonfire Clean Up	900.00	868.87	31.13
	154,466.00	135,671.00	18,795.00		154,466.00	163,989.97	-9,523.97

Income for Central Services	Budget	Actual	Balance	Expenditure for Central Services	Budget	Actual	Balance
Allocation from Precept	166,770.00	166,770.00	0.00	Staff Costs	153,250.00	122,861.02	30,388.98
Interest (Barclays B/R)	150.00	176.69	-26.69	Utilities	9,525.00	6,446.45	3,078.55
Interest NatWest/precept	150.00	0.00	150.00	Services	7,730.00	4,951.95	2,778.05
Lettings (DB)	50.00	0.00	50.00	Equipment /Tools	4,000.00	2,768.05	1,231.95
VAT Reclaimed	30,000.00	15,207.60	14,792.40	Materials	1,600.00	479.88	1,120.12
Sundry Receipts	3,115.00	4,591.74	-1,476.74	Buildings	7,200.00	4,933.82	2,266.18
Charity Account Transfers	12,000.00	0.00	12,000.00	Other	8,170.00	4,456.01	3,713.99
Interest Lloyds Fixed Term Deposit	3,200.00	1,611.78	1,588.22	Charity Account Transfer	12,000.00	0.00	12,000.00
Church House	5,750.00	4,057.83	1,692.17	Church House	4,600.00	2,502.63	2,097.37
Rickards Hall Lettings	10,500.00	9,400.74	1,099.26	Public Toilets	11,095.00	8,405.87	2,689.13
WI Hall Admin	1,815.00	0.00	1,815.00	Rickards Hall	14,330.00	9,422.52	4,907.48
	233,500.00	201,816.38	31,683.62		233,500.00	167,228.20	66,271.80

Income for Open Spaces				Expenditure for Open Spaces			
	Budget	Actual	Balance		Budget	Actual	Balance
Allocation from Precept	153,571.00	153,571.00	0.00	Staff Costs	105,065.00	81,512.84	23,552.16
Cemetery Fees	14,000.00	11,484.50	2,515.50	Utilities	8,370.00	7,432.58	937.42
Rents	14,214.00	12,063.52	2,150.48	Playground Repairs	5,000.00	1,847.00	3,153.00
Maintenance Services	4,800.00	3,504.49	1,295.51	Services	16,020.00	12,513.40	3,506.60
Hire Charges	0.00	0.00	0.00	Equipment/Tools	6,000.00	1,624.61	4,375.39
Solar Panels	800.00	730.20	69.80	Materials	18,480.00	11,772.10	6,707.90
Sundry Receipts	9,800.00	7,406.48	2,393.52	Buildings	3,000.00	1,669.78	1,330.22
				Vehicles	11,150.00	5,158.89	5,991.11
				Contingencies	6,000.00	2,221.00	3,779.00
				Others	1,400.00	606.59	793.41
				Small Projects	3,000.00	906.00	2,094.00
				Vandalism	3,500.00	889.87	2,610.13
				Footpaths Equipment	200.00	40.00	160.00
				Public Street Lighting	10,000.00	5,978.12	4,021.88
	197,185.00	188,760.19	8,424.81		197,185.00	134,172.78	63,012.22
Income for Emergency Planning				Expenditure for Emergency Planning			
	Budget	Actual	Balance		Budget	Actual	Balance
Allocation from Precept	200.00	200.00	0.00	Equipment/Tools	100.00	48.29	51.71
Sundry Receipts	0.00	0.00	0.00	Others	100.00	96.00	4.00
	200.00	200.00	0.00		200.00	144.29	55.71

Councillors are reminded that although the Community Warden is employed by the Council on behalf of the Community Warden Steering Group. Any issues or concerns should be raised with them.

Income for Community Warden	Budget	Actual	Balance	Expenditure for Community Warden		
				Budget	Actual	Balance
Precept (ETC Cont)	6,000.00	6,000.00	0.00	13,000.00	10,901.86	2,098.14
Moat Housing	0.00	3,100.00	-3,100.00	2,625.00	2,625.00	0.00
West Kent Housing	0.00	3,500.00	-3,500.00	240.00	156.27	83.73
Westerham	0.00	1,920.00	-1,920.00	0.00	0.00	0.00
John Coldman trust	5,000.00	500.00	4,500.00	300.00	160.63	139.37
Police	0.00	0.00	0.00	300.00	107.72	192.28
Great Stone Bridge Trust	0.00	2,000.00	-2,000.00	2,000.00	747.49	1,252.51
KCC	0.00	0.00	0.00	0.00	0.00	0.00
From Reserves	9,000.00	0.00	9,000.00	1,535.00	0.00	1,535.00
	20,000.00	17,020.00	2,980.00	20,000.00	14,698.97	5,301.03
Nett Balance	605,351.00	543,467.57	61,883.43	605,351.00	480,234.21	125,116.79

Financial Regulations

1.6 A breach of these Regulations by an employee is gross misconduct.

Deliberate or wilful breach of these Regulations by an employee may give rise to disciplinary proceeding.

6.4 Cheques or orders for payment drawn on the bank account in accordance with the schedule as presented to council or committee shall be signed by two members of council in accordance with a resolution instructing that payment. If a member who is also a bank signatory has declared a disclosable pecuniary interest, or has any other interest, in the matter in respect of which the payment is being made, that Councillor shall be required to consider Standing Orders, and thereby determine whether it is appropriate and / or permissible to be a signatory to the transaction in question

Cheques or orders for payment drawn on the bank account in accordance with the schedule as presented to council or committee shall be signed by [one] two member[s] of council [,and countersigned by the Clerk,] in accordance with a resolution instructing that payment. A member who is a bank signatory, having a connection by virtue of family or business relationships with the beneficiary of a payment, should not, under normal circumstances, be a signatory to the payment in question.

11.1.

- b. Where it is intended to enter into a contract exceeding £60,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Clerk shall invite tenders from at least three firms to be taken from the appropriate approved list.
- b. Where the council intends to procure or award a public supply contract, public service contract or public works contract as defined by The Public Contracts Regulations 2015 (“the Regulations”) which is valued at £25,000 or more, the council shall comply with the relevant requirements of the Regulations¹

¹ The Regulations require councils to use the Contracts Finder website to advertise contract opportunities, set out the procedures to be followed in awarding new contracts and to publicise the award of new contracts

- c. When applications are made to waive financial regulations relating to contracts to enable a price to be negotiated without competition the reason shall be embodied in a recommendation to the council.
- c. The full requirements of The Regulations, as applicable, shall be followed in respect of the tendering and award of a public supply contract, public service contract or public works contract which exceed thresholds in The Regulations set by the Public Contracts Directive 2014/24/EU (which may change from time to time)²
- d. Such invitation to tender shall state the general nature of the intended contract and the Clerk shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitation shall in addition state that tenders must be addressed to the Clerk in the ordinary course of post. Each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract.
- d. When applications are made to waive financial regulations relating to contracts to enable a price to be negotiated without competition the reason shall be embodied in a recommendation to the council.
- e. All sealed tenders shall be opened at the same time on the prescribed date by the Clerk in the presence of at least one member of council.
- e. Such invitation to tender shall state the general nature of the intended contract and the Clerk shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitation shall in addition state that tenders must be addressed to the Clerk in the ordinary course of post. Each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract
- f. If less than three tenders are received for contracts above £60,000 or if all the tenders are identical the council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.
- f. All sealed tenders shall be opened at the same time on the prescribed date by the Clerk in the presence of at least one member of council.
- g. Any invitation to tender issued under this regulation shall be subject to Standing Order 18.c,³ and shall refer to the terms of the Bribery Act 2010.

² Thresholds currently applicable are:

- a. For public supply and public service contracts 209,000 Euros (£164,176)
- b. For public works contracts 5,225,000 Euros (£4,104,394)

³ Based on NALC's model standing order 18d in Local Councils Explained ©2013 National Association of local councils

- g. Any invitation to tender issued under this regulation shall be subject to Standing Orders[],⁴ [insert reference of the council's relevant standing order] and shall refer to the terms of the Bribery Act 2010.
- h. When it is to enter into a contract of less than [£60,000] in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Clerk or RFO shall obtain 3 estimates (priced descriptions of the proposed supply); where the value is below £60,000 and above £3,000 the Clerk or RFO shall strive to obtain best value. Otherwise, Regulation 10 (3) above shall apply.
- h. When it is to enter into a contract of less than £25,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Clerk or RFO shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below [£3,000] and above [£100] the Clerk or RFO shall strive to obtain 3 estimates. Otherwise, Regulation 10.3 above shall apply.
- k. The European Union Procurement Directive shall apply and the terms of the Public Contracts Regulations 2006 and the Utilities Contracts Regulations 2006 including thresholds shall be followed.
- k. This line has now been removed

⁴ Based on NALC's model standing order 18d in Local Councils Explained ©2013 National Association of local councils

Edenbridge Town Council Risk Assessment - Level 2 - Finance		Risk Assessment 2015				Monitoring				Residual	
Risk No	Hazard	Risk	Likelihood		Existing Controls	Date	Owner	Signature	Severity		Linked Ref No.
			Severity	Total					Severity	Total	
F1001	Insufficient funds to carry out activities	Loss of reputation Legal Challenge Loss of assets Inability to meet commitments	5	2	Budgeting process Precept request Contingency fund Reserve funds Financial monitoring Financial Regulations Standing Orders Internal Audit External Audit process Use of customised financial software Monthly reporting and scrutiny and of financial records Approval of expenditure Regular bank reconciliations Two authorisations for payments Fidelity guarantee Financial monitoring Staff employment process	January	RFO		5	1	5
F1002	Lack of financial control	Loss of reputation Legal challenge Loss of assets Loss of income Fraud	5	3	Financial monitoring Financial Regulations Standing Orders Internal Audit External Audit process Use of customised financial software Monthly reporting and scrutiny and of financial records Approval of expenditure Regular bank reconciliations Two authorisations for payments Fidelity guarantee Financial monitoring Staff employment process	Quarterly	RFO		5	2	10
F1003	Inadequate Security	Injury to staff Loss of income/cash	5	4	Insurance Secure storage of cash Cash locked in safe overnight regular banking Varied route and timing of banking concealed movement of cash Sound financial controls F1002 Employment checks	Quarterly	RFO		5	2	10
F1004	Fraud	Loss of reputation Loss of Council Funds Misappropriation of investments Insolvency of Insurance Company Insufficient Cover	4	4	Employment checks				4	3	12
F1005	Vulnerability of Insurance Cover	Insolvency of Insurance Company Insufficient Cover	2	2	Use of reputable company providing specialist cover for Councils Annual review of provider Annual review of level of cover	Quarterly	RFO		2	1	2
F1006	Failure to maintain financial records in accordance with statutory requirements	Damage to reputation Legal Action	4	2	Annual Review of Financial Regulations Monthly reporting and scrutiny of financial records Approval of expenditure Monthly Bank Reconciliations Timely payments/refunds to HMRC Compliance with section 137 requirements Employment of RFO Independent Internal Audit Annual Internal Audit Review meeting External Audit Staff training	Quarterly	RFO		4	1	4
F1007	Mishandling of Tenders /Contracts	Loss of Reputation Legal action Poor value for money shoddy workmanship	3	3	Standing Orders Financial Regulations Contract ratified by Council				3	1	3
F1008	Damage to property and equipment	Loss of income Inability to provide services Failure of computer system Loss of data	5	2	Business Continuity Plan Property damage insurance Reviews of Asset Register Use of reputable insurance provider. Public Liability Insurances in place. £10 million Activities Risk Assessments	June & October	RFO		5	1	5
F1009	Damage to third party property or individuals, including volunteers	Insurance Claim Loss of reputation	5	2		July	RFO		5	1	5

Edenbridge Town Council Risk Assessment		Finance - Sheet 2		Target				
Risk No	Risk	Future Actions Identified	Date	Owner	Council Approval	Completed	Signature	
F1001	Loss of reputation Legal Challenge Loss of assets Inability to meet commitments	none		RFO				
F1002	Loss of reputation Legal challenge Loss of assets Loss of income Fraud	none		RFO				
F1003	Injury to staff Loss of income/cash	Review process for security of cash storage		RFO				
F1004	Loss of reputation Loss of Council Funds Misappropriation of Investments							
F1005	Insolvency of Insurance Company Insufficient Cover	Free legal service and advice available from NALC		RFO				
F1006	Damage to reputation Legal Action			RFO				
F1007	Loss of Reputation Legal action Poor value for money shoddy workmanship			All				
F1008	Loss of Income Inability to provide services Failure of computer system Loss of data							
F1009	Insurance Claim Loss of reputation							

Edenbridge Town Council Risk Assessment		Finance - Sheet 2					Target		
Risk No	Risk	Future Actions Identified	Date	Owner	Council Approval	Completed	Signature		
F1010	Inability to carry out council activities Failure of Computer System Loss of records								
F1011	Misappropriation of investments								
F1012	Damage to reputation Legal Action Fraud								

Edenbridge Town Council Risk Assessment - Level 2 - Finance			Risk Assessment 2015				Monitoring			Residual		
Risk No	Hazard	Risk	Likelihood		Existing Controls	Date	Owner	Signature	Severity		Linked Ref No.	
			Severity	Total					Severity	Total		
F1010	Business continuity	Inability to carry out council activities Failure of Computer System Loss of records	4	3	1,2 Business Continuity Plan IT Service Contract Virus protection (automatically updated) Off site back up.	Annual review	RFO		4	1	4	
F1011	Loss of Council's funds	Misappropriation of investments	4	2	8 Monthly reports to Finance. Quarterly Internal Audits Two signatures for all payments. Blank cheques are never signed.	Monthly & quar	RFO		4	1	4	
F1012	Failures in Auditing Process	Damage to reputation Legal Action Fraud	4	2	8 Annual check of independence of Internal Audit Annual review of Internal Audit Monitoring and review by Council	Annually	RFO		4	1	4	

Dear Colleague

The future of External Audit for Smaller Authorities – Update one

As you will be aware, the Audit Commission ceased to exist on the 1 April 2015 and a new company – Smaller Authorities' Audit Appointments Ltd - has been created this week to take over the appointment of **external** auditors and the setting of audit fees for smaller authorities from 2017.

This Company was set up on behalf of the Department for Communities and Local Government by the National Association of Local Councils (NALC), the Society of Local Council Clerks (SLCC) and the Association of Drainage Authorities (ADA).

The Company's three independent Directors are: Mike Attenborough-Cox (Chairman), Elizabeth Peers and Martin McNeill

Mike is a qualified accountant and internal auditor, and was a partner at Mazars LLP for 13 years. He has extensive experience of working with public sector organisations, having been appointed UK national public services partner at Mazars in 2001. He is also Chair of the Joint Audit Committee of the Police and Crime Commissioner and Chief Constable for Hampshire; and a member of the Audit and Risk Committee of the Foreign and Commonwealth Office.

Lizzie Peers is a qualified chartered public finance accountant, with over 20 years' experience as a senior public sector external auditor, having worked for the Audit Commission and more recently for Ernst & Young LLP. She currently sits on the board of two NHS trusts as a non-executive director and lectures at the University of Portsmouth on corporate governance

Martin McNeill is currently Clerk to the Governors and Company Secretary at Morley College London, having previously held a similar position at Bicton College in Devon. Prior to that he worked with the Audit Commission for 20 years, including four years as the Commission's Director of Management Services.

The Board also includes three Member Directors, who currently are: Peter Bateson, Company Secretary, ADA; Steve Alison, Head of Finance, SLCC; and Jonathan Owen, Chief Executive of NALC.

This company will formally appoint external auditors on your behalf, very much as the Audit Commission did previously, for a five year period from the financial year 2017/18. This will happen automatically unless your Council/Board decides to opt out and set up an independent Audit Panel to procure external audit itself. Guidance on setting up an auditor panel can be found here <http://www.cipfa.org/policy-and-guidance/publications/g/guide-to-auditor-panels-pdf>

Owing to the way the legislation has been drafted, all Councils/Boards with an annual turnover of less than £6.5 million are automatically part of the scheme unless they decide to opt out and appoint their own external auditors.

The deadline for those wishing to take a decision to opt out is 31 March 2016.

Following the inaugural board meeting on 16 December 2015 the board made some decisions on fee structures.

For authorities requiring an annual assurance review (those with an annual turnover over £25,000) the intention is that fee rates will not exceed those applicable to reviews of accounts for the 2014/15 financial year, which are as follows.

Income & Expenditure band £	Fee per smaller body £
25,001 - 50,000	200
50,001 - 100,000	300
100,001 - 200,000	400
200,001 - 300,000	600
300,001 - 400,000	800
400,001 - 500,000	1,000
500,001 - 750,000	1,300
750,001 - 1,000,000	1,600
1,000,001 - 2,000,000	2,000
2,000,001 - 3,000,000	2,400
3,000,001 - 4,000,000	2,800
4,000,001 - 5,000,000	3,200
5,000,001 - 6,500,000	3,600

The legislation regarding authorities with annual turnover of below £25,000 is not clear. Board members have met with DCLG who are now seeking legal advice to clarify the situation. Once the board knows the outcome of this legal advice they will issue a further communication.

A link to the appropriate legislation is attached for your information.

http://www.legislation.gov.uk/ukdsi/2015/9780111126103/pdfs/ukdsi_9780111126103_en.pdf%20

We recognise that this is a complicated piece of legislation and will be providing more detailed information and FAQs over the coming months on the web.

Finally, we would like to wish you a very happy Christmas and a peaceful New Year.

Mike Attenborough-Cox

Chairman – Smaller Authorities' Audit Appointments Limited

Dear Colleague.

EXTERNAL AUDIT FOR SMALLER AUTHORITIES

Further to my letter of 18 December 2015, I am writing to give you some more detailed information to help your authority to decide whether or not to opt out of the external audit arrangements that Smaller Authorities' Audit Appointments Limited (SAAA) is putting in place. These arrangements will take effect from 1 April 2017.

As stated in my earlier letter, the deadline for making a decision to opt out is 31 March 2016.

Background

Under the Local Audit (Smaller Authorities) Regulations 2015 ('the Regulations') (http://www.legislation.gov.uk/ukdsi/2015/9780111126103/pdfs/ukdsi_9780111126103_en.pdf), SAAA is required to make audit arrangements for all smaller authorities other than those that have given notice that they wish to make their own arrangements. The SAAA scheme will therefore cover all authorities that have not formally decided to opt out. Authorities covered by the SAAA scheme are referred to as 'opted-in' authorities.

By law, every authority will still have to complete and publish an annual financial return irrespective of whether it is opted-in or opted-out. This requirement has not changed.

If you are considering opting out, you must hold a properly constituted meeting and decide whether or not you wish to do so. This decision must be recorded.

If you do decide to opt out of the SAAA scheme you must communicate that decision to admin@localaudits.co.uk or SLB Opt Out, 109 Great Russell Street, London WC1B 3LD by 31 March 2016.

If notification of your decision to opt out is not received by 31 March 2016, your authority will be regarded as opted-in for the five-year period beginning on 1 April 2017 and ending on 31 March 2022 and you will not have another opportunity to opt out before the end of that period.

How do the Regulations affect different types of authority?

The effect of the Regulations is to divide smaller authorities into five groups, depending on their financial turnover and on whether or not they decide to opt out of the SAAA scheme. Please see Appendix 2 for a flowchart of this process.

- Group 1 Opted-in authorities (those that have not formally decided to opt out) with income or expenditure exceeding £25k;
- Group 2 Opted-out authorities with income or expenditure exceeding £25k;
- Group 3 Opted-in authorities with neither income nor expenditure exceeding £25k;
- Group 4 Opted-out authorities with neither income nor expenditure exceeding £25k; and
- Group 5 Financially inactive authorities.

Group 1 Opted-in authorities with income or expenditure exceeding £25k

Arrangements for 2017/18 and subsequent years will be the same as they are now. The only difference will be that your auditor will be appointed by SAAA. After completing your annual return, you should submit it by the due date to the auditor appointed by SAAA, who will undertake the limited assurance audit review.

Group 2 Opted-out authorities with income or expenditure exceeding £25k

If you have opted out of the SAAA scheme you will need to appoint an independent audit panel. Guidance on appointing an audit panel is available from CIPFA and can be found at <http://www.cipfa.org/policy-and-guidance/publications/g/guide-to-auditor-panels-pdf>.

The audit panel will consider which auditor to appoint and will make a recommendation to the authority, which will have to ratify the audit panel's decision. Only accounting firms that meet certain licensing criteria can be appointed to undertake limited assurance audit reviews. Firms that do not meet those criteria cannot be considered for appointment. DCLG is working with the professional accountancy bodies to establish appropriate criteria, and we will inform all opted-out authorities as soon as we have more information about the firms that you can appoint.

You will need to agree the fees to be charged for undertaking the limited assurance audit review with the auditor you have appointed.

You will be required to complete an annual certification form (which SAAA will provide) and to submit this to SAAA by an agreed date. The certification form will include:

- details of the firm that you have appointed as your auditor;
- confirmation that the limited assurance audit review has been undertaken by the set date; and
- confirmation that you have complied with the Regulations.

SAAA will carry out independent checks to ensure that the information provided in the certification form is correct.

If you fail to appoint an auditor, the Secretary of State will make the appointment. You will be responsible for paying the auditor's fees and for any administrative costs.

Group 3 Opted-in authorities with neither income nor expenditure exceeding £25k

With effect from 2017/18 very few of these authorities will be required to undergo a limited assurance audit review or to pay any audit fee. The circumstances in which a limited assurance audit review may be necessary are set out in Clauses 9(1)(b) and 9(3) of the Regulations (attached as Appendix 1).

All authorities will, however, need to complete and publish an annual return in accordance with the Transparency Code for Smaller Authorities ([https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/388541/Transparency Code for Smaller Authorities.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/388541/Transparency_Code_for_Smaller_Authorities.pdf)). You will also need to complete an annual exemption form (which SAAA will provide) and submit this to SAAA or an auditor specified by SAAA by an agreed date. By completing this form you certify that, under the Regulations, there is no requirement for a limited assurance audit review for the financial year in question.

If you wish to have a limited assurance audit review, despite not being required to do so, you will need to inform SAAA by the end of the financial year in question. SAAA will then appoint an auditor to undertake the review, for which a fee of £200 will be payable.

Group 4 Opted-out authorities with neither income nor expenditure exceeding £25k

Unless required to submit their accounts for review in the circumstances set out in Appendix 1, these bodies will only need to complete and publish an annual return and to complete and submit to SAAA or an auditor specified by SAAA an annual exemption form in the same way as Group 3 authorities.

If you wish to have a limited assurance audit review, you will need to appoint an audit panel, consider the panel's recommendations and appoint an auditor in the same way as a Group 2 authority. You will need to agree the fees to be charged for undertaking the limited assurance audit review with the auditor that you have appointed.

Group 5 Financially inactive authorities

If your authority has no income or expenditure you should continue to provide an 'inactive' certificate to the auditor appointed by SAAA.

Electors' rights

If an elector wishes, within the prescribed time period, to ask a question about, or make an objection to an authority's accounts, he or she may need to contact the appointed auditor. For opted-in authorities (Groups 1 and 3) the auditor will be (in the case of Group 1 authorities, will already have been) appointed by SAAA. Fees for any additional audit or investigatory work will be charged in accordance with scales set by SAAA.

Questions about and objections to the accounts of authorities in Group 2 and those in Group 4 that have appointed an auditor will be considered by the appointed auditor, who will report the outcome to the authority. If a Group 4 authority needs to appoint an auditor, it should follow the procedure described above, appointing an audit panel and taking a decision based on that panel's recommendations.

If an auditor issues a public interest report in relation to a Group 3 or Group 4 authority, DCLG will require that authority either to commission a limited assurance audit review in the following year (on terms to be agreed between the authority and the auditor) or to opt in to the SAAA scheme for the remainder of the contract period (until 31 March 2022).

Full audit

Any smaller authority can still choose to be treated as a full audit authority, as defined in the Local Audit and Accountability Act 2014, and to commission a full audit either from an auditor appointed by SAAA or (for authorities in Groups 2 and 4) from a licensed auditor appointed through proper processes, following a recommendation from a duly constituted audit panel.

Conclusion

The decisions that are available to smaller authorities are set out in the flowchart at Appendix 2. We will in due course be publishing questions and answers on our website, but in the meantime I or any of my colleagues at SAAA would be happy to answer any questions that you might have.

Please remember if you do decide to opt out of the SAAA scheme you must communicate that decision to admin@localaudits.co.uk or SLB Opt Out, 109 Great Russell Street, London WC1B 3LD by 31 March 2016.

Mike Attenborough-Cox

Chairman - Smaller Authorities' Audit Appointments Limited

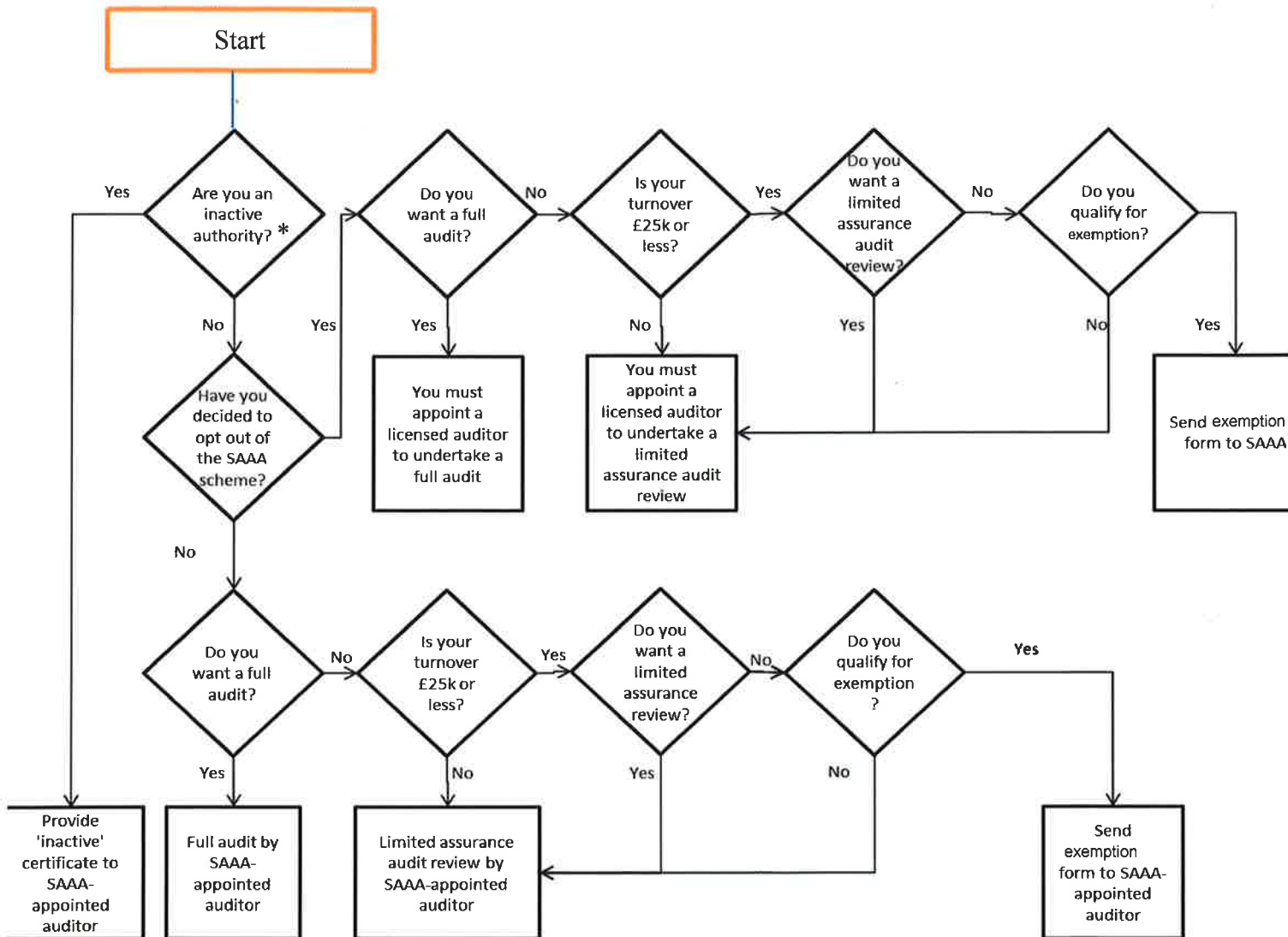
Appendix 1

Extract from the Local Audit (Smaller Authorities) Regulations 2015

Exempt authorities

- 9.—(1) A smaller authority may certify itself as an exempt authority for a financial year if—
- (a) the qualifying condition for that authority and that financial year in paragraph (2) is met; (b) the financial year is not one of the first three years of the authority's existence; and
 - (c) none of the relevant circumstances in paragraph (3) apply in relation to the keeping of the accounts for the preceding financial year or to the audit of those accounts.
- (2) The qualifying condition is met for an authority and a financial year if—
- (a) the higher of the authority's gross income for the year and its gross expenditure for the year does not exceed £25,000, or
 - (b) the higher of the authority's gross receipts and gross payments for the year does not exceed £25,000.
- (3) The relevant circumstances are—
- (a) the local auditor has made a public interest report(a) in respect of the authority or any entity connected with it;
 - (b) the local auditor has made a recommendation to the authority, relating to the authority or any entity connected with it;
 - (c) the local auditor has issued an advisory notice under paragraph 1(1) of Schedule 8 to the Act, and has not withdrawn the notice;
 - (d) the local auditor has commenced judicial review proceedings under section 31(1) of the Act, and the proceedings have not been withdrawn nor has the court found against the auditor;
 - (e) the local auditor has made an application under section 28(1) of the Act for a declaration that an item of account is unlawful, and the application has not been withdrawn nor has the court refused to make the declaration; or
 - (f) the court has declared an item of account unlawful after a person made an appeal under section 28(3) of the Act.

Appendix 2



* An inactive authority is one that has no income or expenditure