**Minutes of the Saddleworth Parish Council Finance Committee held on Thursday 20th June 2024 at 7pm at the Civic Hall, Uppermill.**

**Present**: Councillors: S Al-Hamdani (Chairman)

Cllr K Dawson, Cllr L Dawson

K Barton, R Blackmore, K. Phillips

RFO: J Price;

**636. Apologies for Absence:** G Sheldon,K Allott (Clerk)

**637. Absent :** H Bishop, P Walsh

**638. Declarations of Interest:** None declared.

**639. Minutes from the last meeting on Thursday 16th May 2024**

These minutes will be proposed, seconded, accepted as correct and signed off at the next meeting.

**640. Internal Audit (IA) Report**

i) The 10 page Internal Audit report prepared by our new auditors JDH Business Services had been received and circulated the day before the meeting. The report details 13 issues and gives a recommendation as to how to correct each one with a target to have them all addressed by the end of the financial year (2024-25).

ii) The main issue recurring throughout the report relates to VAT and in particular the potential recovery of Input tax charged on expenditure incurred by SPC which could potentially be backdated for 4 years.

iii) Most of the other ‘non-VAT’ issues in the report were also discussed with the RFO explaining any background detail as required. Some of the issues (eg Issue 3 relating to the Bank Reconciliation) have already been actioned by the RFO.

iv) It was also noted that this year’s IA had been far more thorough than in the last few years. Last year’s IA report was circulated for comparison. It was 1.5 pages long and actually states that ‘*VAT claims for the year had been carried out in an appropriate manner*’

**641. VAT Advice**

The IA report recommends that SPC urgently seek specialist advice relating to our VAT position. It was agreed that the RFO should initially contact NALC for recommended consultants with a view to obtaining 3 quotes to address the issues in the report. Target for this is the next FC meeting in July.

**642. Action Plan**

It was agreed that the RFO will prepare a plan outlining corrective actions and target dates for all the IA issues. This to be available for the September FC meeting.

**643. AGAR Reports**

The RFO tabled 3 further reports

1. **AGAR Internal Audit Report**

The auditor had annotated most points with references back to the IA report. The RFO explained each qualification in turn

1. **Annual Governance Report (AGAR Section 1)**

The RFO pointed out that all boxes are agreed as ’Yes’ except Box 4 where the ‘NO’ relates to the late submission last August.

**iii) Accounting Statements (AGAR Section 2)**

The RFO explained the major variances which were in Income and Other Costs

The Chairman proposed that he would draft 2 narrative paragraphs for presentation and publication alongside the 3 documents. The first to explain that the AGAR Internal Audit report is referencing numerous issues not raised on previous audits and that some have already been addressed and an action plan is also being prepared to address all other in the current financial year. The second will explain that the ‘No’ in Box 4 of the Annual Governance report is recognising that SPC reported a month late last year.

It was agreed that the 3 documents could be presented for formal approval at the upcoming Full Council meeting on Monday 24th June 2024.

**635. Items for the next agenda**

**FC Meeting Thursday 25thth July at 7pm.**

The July meeting has been put back a week to allow for extra time to address the numerous outstanding finance items including the External Audit due by 1st July.

VAT Advice Quotes

Bank Account Progress

Updated Financial Regulations (subject to other work)

Report on Councillor Expenses when deputising for Chairman

**Date of next meetings: As recorded above.**