

MINUTES of the Finance Committee of Melksham Without Parish Council held on Monday 22nd May 2017 at Crown Chambers, Melksham at 8.05 p.m.

Present: Cllrs. Richard Wood (Chairman), Alan Baines, Mike Mills & Paul Carter.

Officers: Teresa Strange (Clerk) & Jo Eccleston (Parish Officer)

Apologies: Cllr. John Glover (Vice Chair) who was on holiday and Cllr. Paul Taylor who had another meeting to go to which had been arranged prior to him being co-opted onto the Council but would try to attend if he got away early enough. These apologies were accepted. (*However, Cllr Taylor then arrived during the meeting at 8.45pm*).

Housekeeping: The Council Chairman welcomed all to the meeting and explained the evacuation procedures in the event of a fire.

035/17 **Election of Chair of Finance Committee:** Cllr. Wood invited nominations for the Chair of the Finance Committee for 2017/18. Cllr. Glover had stated prior to going on holiday that he was happy to stand again for Chair of the Finance Committee. Cllr. Wood proposed, seconded by Cllr. Mills that Cllr. John Glover was elected as Chair of the Finance Committee. **Resolved:** *The Council unanimously resolved that Cllr. Glover be Chair of the Finance Committee for 2017/18.*

036/17 **Election of Vice Chair of Finance Committee:** Cllr. Wood invited nominations for the Vice Chair of the Finance Committee for 2017/18. Cllr. Mills proposed, seconded by Cllr. Carter that Cllr. Alan Baines was elected as Vice Chair of the Finance Committee. **Resolved:** *The Council unanimously resolved that Cllr. Baines be Vice Chair of the Finance Committee for 2017/18.*

In the absence of Cllr. Glover, Cllr. Baines took the Chair.

037/17 **Declarations of Interest:** Cllr Mills declared an interest in agenda item 8b)i) as the Chairman & Trustee of BRAG (Bowerhill Residents Action Group). Cllr Wood declared an interest as Chairman of BASRAG (Berryfield & Semington Road Action Group), any items relating to Berryfield Village Hall and in agenda item 12c) relating to the Chairman's Allowance.

038/17 **Bank Signatories for New Committee Members:** The Clerk advised that the bank signatories needed updating and that Cllr. Carter and Taylor would need to sign the relevant paperwork enabling them to be signatories for Lloyds Bank for cheque payments and for Unity Bank to authorise on line banking transaction. She reported that both she and Cllr. Wood had signed the authorisations to remove outgoing Cllrs. Brindle and Nicol as signatories as per the resolution in Min.012/17b)2). Both Rolf Brindle and Pat Nicol had been deleted from the Unity Bank on-line banking system, but the Council were still awaiting a conversation with Lloyds Bank to remove them as cheque signatories. It was noted that Cllrs. Wood, Glover, Baines and Mills were already signatories on both accounts, and that councillors could only authorise what officers had set up, they could not make any independent transactions.

039/17 **Public Participation:** There were no members of the public present.

040/17 **Minutes of Previous Meeting:** The Committee noted the following minutes for background information:

- Finance Committee meeting Monday 11th January, 2016.
- Full Council meeting Monday 25th January, 2016.
- Finance committee meeting Monday 7th March, 2016.
- Finance committee meeting Monday 17th March, 2016.
- Finance Committee meeting Monday 9th May, 2016.
- Finance Committee meeting Monday 9th January, 2017.
- Finance committee meeting Monday 6th February, 2017.

041/17 **Governance & Accountability for Smaller Authorities in England (March 2017) – Practitioners Guide:** The Clerk reported that this guide explained all the rules to which councils needed to abide to when completing their annual return. It also informs what the Councillors should be doing and their responsibilities, and the internal control measures which should be in place to identify potential risks. The Committee thoroughly reviewed this guide and the Clerk drew attention to specific points.

- Ref 1.11 Investments:** The Clerk reported that the new guidance required that the Full Council approves transfers into the Fixed Term Accounts, and that this had already been actioned, with the transfers being authorised at the last Council meeting held on 15th May, 2017.
- Ref 1.31 & 1.32 Identifying, Assessing and Addressing Risks:** The Clerk explained that the Council carried out robust risk assessments to identify any risks. She quoted the weekly checking and recording of the eight defibrillators in the parish as an example of good practice. She then gave an example of a recent case with another parish council where fraud had taken place as councillors had not been kept informed about their responsibilities and the correct processes and procedures that should have been followed. As this had been identified as a potential risk to all parish councils she had ordered 13 copies of the Good Councillors Guide for both new and returning councillors and this Committee was reviewing the Practitioners Guide. As a result of an identified risk with another parish council, Melksham Without Parish Council had introduced a new internal control measure where the Clerk's expenses are signed off by either the Chair or Vice Chair prior to payment; the Clerk authorises expenses for the other members of staff; this was to ensure expenses were not reimbursed for the same item again.
- Ref 2.6 Statement of accounts – Reconciliation:** The guide states that "The RFO needs to be able to show how the figures in the annual return reconcile to those in the cashbook and other primary accounting records". The Council noted that the Clerk as RFO was unable to do this at the moment as some areas of reconciliation were still outstanding.
- Ref 5.18 Accounting Records and Supporting Documents:** The guide states that "A successful accounting system requires that the basic cash book is kept up to date and balances are regularly verified against a bank statement.....this record will also agree with the supporting vouchers, invoices or receipts.....where there is a computer system, the reliability of information reported by the system depends on the quality and accuracy of the data input, and how it is then processed..." The Clerk reported that she

could not confirm that this was happening at present as internal controls and supporting systems were not up to date.

- e) **Ref 5.36 Payments by Bank Transfer or Electronic Means:** The Clerk had concerns that if the Parish Council moved to all payments by bank transfer or on-line transactions how these would be monitored and listed as currently the cheque number was used to track expenditure through an audit trail. She advised that going forward that every transaction, cheques, direct debits and transfers would be given a voucher number that would run consecutively and these would appear on the accounting software system and all other reporting systems.
- f) **Ref 5.38 & 5.41 Receipts and Debt Collection:** The guide states that “Cash and cheques should be entered into the cash book on the date of receipt and banked promptly.....Authorities should ensure that invoices raised are paid promptly or that appropriate recovery action has been taken”. It was noted that there was currently not a lot of credit control taking place and that invoices needed to be matched to payments in and chased if not paid.
- g) **Ref 5.6 Acting Within Its Powers:** The Clerk reported that the Parish Council always did this, as Clerk she would advise the Parish Council before they entered into anything that they did not have a legal power for. She would, however, like to see all the powers which allow authorities to operate within a legal framework to be listed against the cost codes on the accounting software system to make it instantly clear which power was being used.

042/17

Statement of Accounts & Accompanying Report 2016/17:

- a) **Draft Statement of Accounts & Annual Report for Year Ending 31st March, 2017:** The Committee reviewed the Draft Statement of Accounts & Annual Report for Year Ending 31st March, 2017 and recognised that there was still more work to be done before these can be signed off the figures submitted to the external auditor before the deadline date of 30th June. The Clerk had requested an extension to the deadline date for the return (of 19th June as the day of the authorising meeting) and this can now be submitted a day late. The Clerk as RFO had written the supporting statement and was happy that this was accurate. The committee acknowledged that a staff member was having difficulty and asked how this could be managed, how they could support that staff member, and whether a Staffing Committee meeting was required. **Recommended:** *.1. The Draft Statement of Accounts & Annual Report for Year Ending 31st March, 2017 require further work and therefore cannot be approved in their current format. .2. A meeting of the Staffing Committee be scheduled after the Year-end Statement has been completed to consider any additional support needed for staff members.*
- b) **Report of Accounts as “Receipts & Payments” and “Income & Expenditure”:** It was noted that the accounts will be reported as “Receipts & Payments” but also calculated to be ready to be restated as “Income & Expenditure” for submission in 2017/18.
- c) **Local Government Transparency Code Compliance Report for 2016/17”:** The Committee reviewed the Transparency Code Report and noted that further work was required before this could be recommended for approval.
- d) **Asset Value Figure for Year Ending 31st March, 2017:** The Clerk advised that the Asset Management Committee would be looking at the detail of the Asset Register on Monday 5th June. The Clerk, as RFO, had checked this

document and it was accurate, and reminded the councillors that the value of assets in the parish remain the same as they do not increase or depreciate in value, however, the insurance figure will change to reflect the cost of replacement (index linked). It was suggested that the assets were numbered for easier identification and that map co-ordinates to accurately identify their locations could also be included. The committee noted the asset value as follows:

Value as of 31 st March 2016	-	£257,223
Disposals	-	-£5,035
Additions	-	<u>+£25,551</u>
Value as of 31 st March 2017	-	£278,339

Recommended: The Asset Value figure of £278,339 for the year ending 31st March, 2017 be approved.

043/17

Audit:

- a) **Internal Auditor's Report:** The Committee noted the Internal Auditor's report with the Clerk's notes of actions taken on his advice.
- b) **Review of Effectiveness of Internal Control:** The Committee reviewed the effectiveness of internal controls against the guidance under the "Governance & Accountability for Smaller Authorities in England (March 2017) – Practitioners Guide" and agreed that they maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption, in line with the processes detailed in Assertion 2.
- c) **Appointment of Internal Auditor for 2017/18:** **Recommended:** The Council appoint Kevin Rose of IAC Ltd as the Parish Council's Internal Auditor for the year 2017/18.
- d) **Section 1 of the Annual Governance Statement for 2016/17:** Procedures have identified that there have been some issues and problems, but that they are being addressed and managed. The Council can answer yes to all questions in Section 1.
- e) **Financial Reserves Policy:** This draft policy has been based upon another Council's policy which the Parish Council looked at last year and wished to adopt. The Clerk had updated this draft version to reflect the procedures carried out by Melksham Without Parish Council. She explained that some confusion had arisen as a general contingency reserve as an earmarked reserve had been set up last year, however, a general reserve is actually the money left over at the end of the year. **Recommended:** The Parish Council adopt the Financial Reserves Policy.
- f) **Reserves Breakdown:** The Clerk had thoroughly checked the Reserves Breakdown document and the Committee reviewed the budget provision within the reserves. The Breakdown is the split between Short Term (for use within 3 years) and Medium Term (for use over 3 years) as defined by the Reserves Policy, and required to be submitted to the External Auditor. The Clerk declared an interest in reserves for Bowerhill Youth Club as a Trustee of Young Melksham. **Recommended:** The Parish Council approve the Reserves Breakdown as at 31st March 2017 as follows:

PURPOSE OF RESERVE	AMOUNT HELD AT 31/3/17
Short Term Reserves (for use within 3 years)	
New Village Hall, Berryfield	£16,700.00
Crown Chambers/Office Accommodation (Relocation)	£4,800.00
Bowerhill Youth Club	£2,500.00
Shaw Play Area/Playing Field - improvement project	£16,500.00
New Allotment Project (ex George Ward playing fields)	£10,000.00
Community Projects / Match Funding	£3,625.00
Elections - casual vacancies	£2,000.00
Replacement / renewal of Council Assets	£5,000.00
TOTAL SHORT TERM RESERVES HELD	£61,125.00

Medium Term Reserves (for use over 3 years)	
Village Hall, Shaw	£4,400.00
Play Area Equipment & Safety Surfacing - replacement	£20,000.00
Bowerhill Jubilee Sports Field & Pavilion - replacement of capital items	£31,500.00
Recreations & Sports Facility Enhancement	£3,500.00
General Highway/Footway/Lighting	£2,000.00
Legal Fees	£1,450.00
Elections - casual vacancies	£2,000.00
Staffing Contingency	£5,850.00
Replacement / renewal of Council Assets	£15,000.00
Contingency Reserve	£60,000.00
TOTAL MEDIUM TERM RESERVES HELD	£145,700.00
Total - Short / Medium Term Reserves	£206,825.00

g) External Audit Annual Return (Section 2 – Accounting Statements

2016/17): The Committee reviewed the Annual Return, but acknowledged that more work was required to check figures before it can be Recommended to the Full Council to be signed off and submitted to the External Auditor.

h) External Audit Key Dates: The Committee noted the key External Audit dates:

- Notice of Period of Inspection for the Public - published on 20th June
- Period of Inspection for the Public – Wednesday 21st June to Tuesday 2nd August.

It was noted that these dates met all of the External Auditors deadlines. The deadline for submission of the Annual Return to the External Auditor was the 19th June, however, the Clerk had requested an extension of one day as the accounts would not be signed off by Full Council until the evening of Monday 19th June.

Insurance:**a) Verbal Report following meeting with Insurance Broker, 17th May, 2017:**

The Clerk reported that she had had a very useful meeting with the Insurance Broker, who had sought quotes on the Parish Council's behalf and has submitted the three best quotes for consideration. The Broker confirmed that all councillors are covered up to the age of 86 years, at which point a councillor would need to be individually named and any adjustments to the policy made accordingly. She confirmed that the Council were covered for Fidelity Guarantee up to £350K (the amount of money the Parish Council could have in the bank) and for all risks. One risk that was identified was the inspection of play areas. The insurance policy states that visual inspections must be carried out on a weekly basis, however, this is not happening due to the increased workload of the Parish Caretaker; they are being checked on a fortnightly basis. The Insurance Broker explained that the Parish Council could get insurance cover on this basis, but that fortnightly checks may not be defensible in a court of law. He had advised that the Parish Council ask volunteers to make visual checks on a weekly basis, with the ROSPA trained caretaker continuing to check on a fortnightly basis. As long as this is reported and recorded by the Parish Council, then it would be defensible in a court of law. **Recommended:** .1. The Officers sound out existing volunteers to establish whether they would be willing to carry out visual checks of play areas prior to the next Full Council meeting. .2. The Apprentice Parish Officer to devise a spreadsheet method of recording this information.

Under Standing Order 1, meetings close at 10.00pm, however, the Committee agreed to continue with the meeting as there were issues to be discussed that were time sensitive.

b) Transfer of Ownership of BRAG (Bowerhill Residents Action Group)

Notice Board to Parish Council: Recommended: The Parish Council take ownership of the new BRAG notice board at the canal picnic area. The Clerk reported that she had already added this notice board to the insurance renewal schedule in anticipation of the Parish Council taking it on.

c) Insurance Cover for Year Commencing 1st June, 2017: The Committee reviewed the Insurance renewal summary for 2017/18, and noted that the sum for insurance value from the 1st June was £1,305,430. However, this needs to rise by 2%, as this is the indexed link increase across the board as recommended by the Insurance providers.

Under Min.021/17d) the Finance Committee have delegated powers to approve insurance quotes and appoint an insurance provider.

d) Insurance Cover Quotations: Came & Co., the Parish Council's Insurance Broker had provided 3 insurance quotes, to comply with the Parish Council's Standing Orders and Financial Regulations, with core cover comparisons from the following insurance companies:

- Hiscox - £5,224.08
- Ecclesiastical - £5,631.45
- Inspire/AXA - £5,080.36

It was noted that in addition to Inspire (underwritten by AXA Insurance) being the cheapest insurance option, it also offered the provision of “rradar” to the local council sector. Rradar offers an online business resource alongside teams of specialist industry advisors and solicitors available on the phone. This was the Insurance company and policy that Came & Co. recommended that the Parish Council use. **Resolved:** *The Parish Council approve the quote of £4,309.23 plus £517.11 Insurance Premium Tax giving a total of £4,826.34, from Inspire/AXA, for cover from 1st June 2017 to 31st May 2018. This included a discount for binding cover with Inspire under a 3 year long term agreement (1st June 2017 – 31st May 2020)*

e) Payment for Insurance Cover – 1st June, 2017 to 30th May, 2018:

Resolved: *Payment to Came & Co., the Parish Council Insurance Broker, for £4,309.23, for insurance cover from Inspire/AXA for the period 1st June, 2017 to 30th May, 2018, was approved and authorised.*

045/17

Financial Regulations:

a) Parish Council Financial Regulations 2016/17: The Committee noted the Financial Regulations for 2016/17.

b) NALC (National Association of Local Councils) Model Financial Regulations: The Clerk reported that due to the fact that the Parish Council were not a member of NALC, it did not have up to date financial regulations. It was resolved at the Annual Council meeting on 15th May, 2017, under Min.008/17c), that the Parish Council would renew its membership with NALC. It was noted that if the NALC Model Financial Regulations were adopted that clause 3.4 of the Parish Council’s Financial Regulations, regarding Bowerhill Jubilee Sports Field, would need to be included. **Recommended:** *The Clerk to produce a new draft Parish Council Financial Regulations document based on the NALC model for adoption by the Full Council at its meeting on 19th June, 2017*

c) Future Reporting of Monthly Accounts – New Software System Replacing Spreadsheet Reporting: This item was deferred.

d) Draft Policy for use of Pre-paid Debit Card: **Recommended:** *The Draft Policy for Use of the Pre-paid Debit Card is adopted.*

046/17

Risk Register: The Committee noted the SLCC (Society of Local Council Clerks) advice note on Risk Management, and reviewed the Parish Council’s Risk Register. The Clerk had annotated this document with any changes and amendments.

047/17

Investment Options for Parish Council Funds: The Clerk advised that the Council needed to spread the risk of Council funds in order that it had no more than £85,000 in any one institution to be covered by the FSCS (Financial Services Compensation Scheme) up to the value of £85,000; this was particularly applicable when the Parish Council received its precept payment from Wiltshire Council. Officers had researched four institutions:

- CCLA – Local Authorities Property Fund (Bond on Stock Market).
- Nationwide Building Society Instant Access Account.
- The Cambridge Building Society Easy Access Council Saver.
- CAF Bank (online accounts specifically for Charities and not-for-profit organisations).

It was noted that none of the accounts offered a particularly good interest rate, however, moving money into these accounts would reduce the risk of not having cover by the FSCS on all of the Council's money. The Committee eliminated transferring funds into the CCLA as this was not covered by the FSCS and there was the risk that money could go down as well as up as it was reliant on the stock market. The interest rate being offered by the Cambridge Building Society was incredibly low. **Recommended:** *The Parish Council open accounts with the CAF Bank and the Nationwide Building Society and transfer £85,000 into each from the Lloyds Bank Account.*

048/17

Councillor Allowances:

- a) **Councillors Allowances Regulation 2003:** The NALC advice note on Councillors Allowances was noted. The Clerk reported that the Internal Auditor had advised that legally, under the Local Authorities (Members' Allowances) (England) Regulations 2003, when the Parish Council set their Councillor allowances they need to take regard of what the Local Authorities Remuneration Panel set. This then needs to be advertised in a prescribed way. In Wiltshire Council's minutes of a meeting on 12th November, 2013, they agreed that the Councillor's Allowance would increase in line with the nationally agreed increase in staff pay awards. The Parish Council only have a Chair's allowance, other councillors claim back any expenses incurred, such as petrol/fuel, when attending meetings as a Council representative which are not held at Crown Chambers.
- b) **Rates set by Wiltshire Council Remuneration Panel:** The Committee noted the Wiltshire Council Members' Allowances Scheme, last updated February 2017.
- c) **Councillor and Chairman's Allowance for 2017/18:** It was noted that there was no councillors allowance, however, members could claim back expenses incurred from attending meetings as a representative of the Parish Council. The Committee wished to adopt the Wiltshire Council policy for increasing the Chair's Allowance each year in line with the nationally agreed staff pay awards. **Recommended:** *.1. The Chair's Allowance to increase for 2017/18 in line with the average of the staff pay awards for this year. .2. The Parish Council advertise the Chairman's Allowance publicly.*

049/17

Schedule of Charges: The Committee reviewed the Schedule of Charges. It was noted that there was only a charge listed for photocopying for members of the public. It was felt that there should be a separate, lower charge for community groups and not-for-profit organisations in the parish, and that this should be set at 2p per copy plus the cost of any paper used. It was considered that the Bowerhill Sports Pavilion charges should remain the same and it was noted that under Min.299/16b) (Finance Committee 9th January, 2017), that it had been recommended to increase the allotment rent to £27 for 5 perches for the allotment year 1st October, 2017 to 30th September, 2018. **Recommended:** *The Parish Council approve the Schedule of Charges, with the addition of a photocopying rate for community groups and not-for-profit organisations in the parish at 2.p per copy plus a charge for any copier paper used.*

Meeting closed at 10.47pm

Chairman, 19th June, 2017