

DRAFT Minutes of the Finance Committee meeting of Chidham & Hambrook Parish Council held remotely on 27 April 2021 at 7:30 pm

Present: Cllr P Bolton
Cllr G Hyde
Cllr J Sheppard
Cllr B Garrett
Cllr P MacDougall (Chair)

Also present: Clerk and RFO: Bambi Jones

029-20 **Apologies for absence**
All members were present.

030-20 **Declarations of Disclosable Pecuniary Interest**
No interests were declared.

031-20 **Minutes**
Resolved that the minutes of the meeting held on 15 December 2020 be agreed as a correct record.
Agreed that the Clerk sign the minutes on behalf of the Chairman noting this minute number.

032-20 **Public Open Forum**
No members of public were present.

033-19 **Review of End of Year Accounts and Annual Governance and Accountability Return (AGAR)**
Members were requested to comment on the 2020-21 year end accounts and the AGAR return including an explanation of variances between 2019-20 and 2020-21 outturn figures. The current General Reserves figure as at 31 March 2021 was in the region of £102,903. Excluding the sum of £24,062 (six months precept held in general reserves for expenditure by the Council for times when extreme pressure is put on the Council's finances) there is £78,841 in General Reserves. Two projects were identified for allocation of earmarked reserves totalling £65,000, namely £50,000 to The Meadows development project and £15,000 to the renewal of playground equipment. A further project relating to the provision of IT hardware and software to councillors in the sum of £5,000 had been identified at the Council meeting held on 1 April 2021. These earmarked reserves are not time-dependent and will be held until the Council is in a position to fund these projects.

Members considered the draft Reserves Policy and the draft Expenses Policy; some amendments were suggested. It was agreed that the six months buffer for unidentified Council expenditure should be reviewed at the next meeting of this committee to ensure its adequacy. **Action: Clerk to add to next agenda.**

It was suggested that a report be brought back to the following Finance Committee meeting with an indication of the recurring costs as a percentage of the budget, including last year and projecting to the following year. **Action: Clerk to prepare report for next meeting.**

The Clerk suggested that R S Hall & Co. be appointed as Internal Auditor in line with her work for the Council in previous years.

Recommendations to Council:

1. That R S Hall & Co. be appointed as the Council's Internal Auditor.
2. That, subject to some small amendments, the Reserves Policy and Expenses Policy be approved.
3. That Earmarked Reserves be set up as follows: £50,000 for The Meadows Development project and £15,000 for the Children's Playground Renewal of Equipment.

Resolved that the 2020-21 Year End Accounts, with amendments, be noted and sent to the Internal Auditor for review.

034-20 **Review Financial Regulations**

The Financial Regulations, last approved by the Council in September 2019, were again reviewed to ensure they were still fit for purpose. An amendment was requested as follows – ‘2.4 The RFO shall supply each Council Member (~~Member~~) with a copy...’

Recommendation to Council: That, subject to the amendment, the Financial Regulations be approved.

035-20 **Review the Asset Register**

The revised Asset Register, which had been input into the new Alpha software, was reviewed. Last year’s assets totalled £105,173.84. The Council disposed of assets to the value of £10,180.68 and new assets were added to the value of £12,760.00. The revised total assets amount to £107,753.16.

It was suggested that at the next review the Asset Register includes locations. Also before the next review the Clerk and Cllr Garrett will reconsider the insurance values.

Action: Clerk/Cllr Garrett

Recommendation to Council: That the Asset Register be approved.

036-20 **Review of Insurance Policy**

The Council has a three year long term agreement with Came & Company until 31 May 2022. The committee considered the mid-year adjustment to the insurance policy which had been based on the revised Asset Register. The insurers had included a population number of 2,500; the Clerk will ascertain whether this figure affects the insurance and its source. The Clerk will also change the Council’s address in the insurance document. **Action: Clerk.**

Recommendation to Council: That the Council’s insurance policy be renewed for a further year from 1 June 2021.

037-20 **Risk Management Policy and Register**

The committee considered the Risk Management Policy and the Risk Management Register. There were no suggested amendments to the Policy but some tidying up to do on the Register. **Action: Clerk/Cllr Garrett**

It was suggested that an additional member should have access to the Council’s records. **Action: Clerk to email all members for a volunteer.**

Recommendation to Council: That, subject to minor amendments, the Risk Management Policy and Register be approved.

038-20 **Any other business**

Some members had had difficulty getting into Zoom for this meeting and there was concern that residents may not be able to access the Annual Parish Meeting on Thursday night. **Action: Clerk undertook to circulate a guidance note to residents.** It was suggested that in the Chair’s opening speech he mentions the precept which had had a minimal increase of 1.85% this year.

039-20 **Date of Next Meeting**

The next scheduled meeting will take place on 22 July 2021.

The meeting closed at 8:52pm

Signed: (Chairman)

(Date)

CHIDHAM & HAMBROOK PARISH COUNCIL

INTERNAL AUDIT REPORT

FOR THE YEAR ENDED 31 MARCH 2021

INTRODUCTION

An internal audit of the Parish Council's financial records for the year 2020/2021 has recently been completed. The audit included all financial transactions for the period 1 April 2020 to 31 March 2021 inclusive.

The audit was undertaken in compliance with the requirements of the Accounts and Audit (England) Regulations 2015, and in accordance with the agreed and accepted Audit Plan.

Regulation 3 of the Accounts and Audit (England) Regulations states that the Parish Council must ensure that it has a sound system of internal control which—

- (a) facilitates the effective exercise of its functions and the achievement of its aims and objectives;
- (b) ensures that the financial and operational management of the authority is effective; and
- (c) includes effective arrangements for the management of risk

Regulation 5 of the Accounts and Audit (England) Regulations states that the Parish Council must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, and any officer or member of the Parish Council, if required to do so for the purposes of the internal audit shall -

- (a) make available such documents and records; and
- (b) supply such information and explanations;

The objective of the internal audit is to determine whether the accounting arrangements, procedural controls, records, and documentary evidence are adequate to ensure the accurate and timely recording of financial transactions, so as to comply with all relevant legislation and best practice.

SCOPE

The audit included examination of the receipts and payments account for the period, review of the Rialta trial balance and nominal ledger, review of bank statements, review of supplier invoices, review of receipts, review of fixed asset register and insurance policy, review of agendas and minutes of meetings, review of budgets, review of payroll, and confirmation that bank reconciliations and reports are prepared regularly and reviewed at meetings of the Parish Council.

FINDINGS

- 1) The Clerk uses RBS Rialta to record the Parish Council's income and expenditure
- 2) Monies paid and received during the year have been accurately recorded
- 3) Correct procedures are followed with regards to authorising invoices for payment
- 4) Annual budgets are prepared to support the precept payment
- 5) Fixed assets should be recorded on the annual return at cost (or insurance value if cost is not known, or at £1 if they are gifted, or are community assets). The value on the asset register should not be increased to include insurance inflation. The amount to record on the AGAR should be last year's value, plus additions, less disposals – this totals £102,255.16.
- 6) Risk assessments, standing orders and financial regulations have been reviewed and updated
- 7) I reviewed the Parish Council website to confirm that the Transparency Code had been complied with

SUMMARY AND OPINION

One of the functions of internal audit is to give assurance to members of the council that the financial systems are operating correctly, and can be relied upon.

In connection with my examination, and having regard to the items reported herewith, no matter has come to my attention that gives me reasonable cause to believe in any *material* respect that the regulatory requirements have not been complied with.

The accounting arrangements, procedural controls, records and documentary evidence are considered to be satisfactory, and accurately record the Council's financial position.



Rachel Hall (ACA)

4 May 2021

Detailed Receipts & Payments by Budget Heading 30/06/2021

Cost Centre Report

| | Actual Year To Date | Current Annual Bud | Variance Annual Total | Committed Expenditure | Funds Available | % Spent | Transfer to/from EMR |
|----------------------------------|------------------------|-----------------------|--------------------------|--------------------------|--------------------|---------|-------------------------|
| <u>100 Income</u> | | | | | | | |
| 1076 Precept | 24,508 | 0 | (24,508) | | | 0.0% | |
| 1090 Bank Interest Received | 4 | 0 | (4) | | | 0.0% | |
| 1110 Grants & Donation Received | 5,033 | 0 | (5,033) | | | 0.0% | 5,033 |
| 1999 Other Income | 14,300 | 0 | (14,300) | | | 0.0% | |
| <u>110 Adminsitration</u> | | | | | | | |
| 4000 Clerk's Salary & NI | (3,833) | (15,784) | 11,951 | | 11,951 | 24.3% | |
| 4010 Home Working Allowance | (54) | (216) | 162 | | 162 | 25.0% | |
| 4020 Pension | (102) | (1,500) | 1,398 | | 1,398 | 6.8% | |
| 4100 Expenses | 0 | (300) | 300 | | 300 | 0.0% | |
| 4110 Training | 0 | (300) | 300 | | 300 | 0.0% | |
| 4140 Audit Fees | (200) | (800) | 600 | | 600 | 25.0% | |
| 4150 Professional Fees | 0 | (550) | 550 | | 550 | 0.0% | |
| 4160 Subscriptions & Memberships | (869) | (1,000) | 131 | | 131 | 86.9% | |
| 4170 Office Equipment | (34) | (400) | 366 | | 366 | 8.6% | |
| 4190 Website | 0 | (500) | 500 | | 500 | 0.0% | |
| 4200 IT | (5,031) | (600) | (4,431) | | (4,431) | 838.5% | 4,548 |
| 4210 Insurance | (875) | (1,000) | 125 | | 125 | 87.5% | |
| 4220 CHPC Grants | 0 | (2,000) | 2,000 | | 2,000 | 0.0% | |
| 4230 Hall Hire | (17) | (500) | 483 | | 483 | 3.4% | |
| 4240 Chairmans Allowance | 0 | (150) | 150 | | 150 | 0.0% | |
| 4250 Election Expenses | 0 | (500) | 500 | | 500 | 0.0% | |
| 4260 Publications | (197) | (350) | 153 | | 153 | 56.3% | |
| 4270 Repairs & Maintenance | 0 | (500) | 500 | | 500 | 0.0% | |
| 4320 Neighbourhood Plan | (1,580) | (3,000) | 1,420 | | 1,420 | 52.7% | 1,580 |
| 4999 Sundry Expenses | 0 | (500) | 500 | | 500 | 0.0% | |
| <u>120 General Open Space</u> | | | | | | | |
| 4150 Professional Fees | (2,578) | (550) | (2,028) | | (2,028) | 468.7% | 2,578 |
| 4270 Repairs & Maintenance | 0 | (700) | 700 | | 700 | 0.0% | |
| 4350 Bus Shelter Repairs | (150) | (500) | 350 | | 350 | 30.0% | |
| 4360 Litter/Dog Bins | (564) | (1,000) | 436 | | 436 | 56.4% | |
| 4370 Benches | 0 | (100) | 100 | | 100 | 0.0% | |
| 4380 Grounds Maintenance | (960) | (4,500) | 3,540 | | 3,540 | 21.3% | |
| 4390 Hedges & Ditches | 0 | (1,000) | 1,000 | | 1,000 | 0.0% | |
| 4400 Play Area Maintenance | (150) | (1,500) | 1,350 | | 1,350 | 10.0% | |
| 4410 Street Lighting | (1,451) | (1,600) | 149 | | 149 | 90.7% | |
| 4420 Ditch Warden | 0 | (500) | 500 | | 500 | 0.0% | |
| <u>130 Capital Expenditure</u> | | | | | | | |
| 4520 Playground Equipment | 0 | (4,000) | 4,000 | | 4,000 | 0.0% | |

Detailed Receipts & Payments by Budget Heading 30/06/2021

Cost Centre Report

| | Actual Year To Date | Current Annual Bud | Variance Annual Total | Committed Expenditure | Funds Available | % Spent | Transfer to/from EMR |
|---------------------------------------|------------------------|-----------------------|--------------------------|--------------------------|--------------------|-------------|-------------------------|
| 4540 Parish Signs | 0 | (2,675) | 2,675 | | 2,675 | 0.0% | |
| Grand Totals:- Receipts | 43,844 | 0 | (43,844) | | | 0.0% | |
| Payments | 18,645 | 49,075 | 30,430 | 0 | 30,430 | 38.0% | |
| Net Receipts over Payments | 25,199 | (49,075) | (74,274) | | | | |
| plus Transfer from EMR | 8,706 | | | | | | |
| less Transfer to EMR | 5,033 | | | | | | |
| Movement to/(from) Gen Reserve | 28,873 | | | | | | |

Account Number Order

| <u>A/c Code</u> | <u>Account Name</u> | <u>Centre</u> | <u>Centre Name</u> | <u>Debit</u> | <u>Credit</u> |
|-------------------------------|--------------------------------|---------------|--------------------|-------------------|-------------------|
| 200 | Current A/C Lloyds | | | 120,634.97 | |
| 220 | Deposit A/C Lloyds | | | 146,576.53 | |
| 310 | General Reserves | | | | 8,395.59 |
| 320 | EMR - Operation Watershed | | | | 1,390.00 |
| 321 | EMR - NHB | | | | 18,946.63 |
| 323 | EMR - CIL | | | | 117,800.72 |
| 326 | EMR - 50% precept | | | | 24,507.50 |
| 328 | EMR - IT | | | | 451.80 |
| 329 | EMR - Meadows Development | | | | 50,000.00 |
| 330 | EMR - Renewal Playground Equip | | | | 15,000.00 |
| 515 | VAT on Payments | 999 | VAT Data | | 1,846.68 |
| 1076 | Precept | 100 | Income | | 24,508.00 |
| 1090 | Bank Interest Received | 100 | Income | | 3.59 |
| 1110 | Grants & Donation Received | 100 | Income | | 5,032.78 |
| 1999 | Other Income | 100 | Income | | 14,300.00 |
| 4000 | Clerk's Salary & NI | 110 | Adminsitration | 3,832.57 | |
| 4010 | Home Working Allowance | 110 | Adminsitration | 54.00 | |
| 4020 | Pension | 110 | Adminsitration | 102.18 | |
| 4140 | Audit Fees | 110 | Adminsitration | 200.00 | |
| 4150 | Professional Fees | 120 | General Open Space | 2,578.00 | |
| 4160 | Subscriptions & Memberships | 110 | Adminsitration | 869.18 | |
| 4170 | Office Equipment | 110 | Adminsitration | 34.45 | |
| 4200 | IT | 110 | Adminsitration | 5,031.00 | |
| 4210 | Insurance | 110 | Adminsitration | 875.32 | |
| 4230 | Hall Hire | 110 | Adminsitration | 17.00 | |
| 4260 | Publications | 110 | Adminsitration | 196.89 | |
| 4320 | Neighbourhood Plan | 110 | Adminsitration | 1,580.00 | |
| 4350 | Bus Shelter Repairs | 120 | General Open Space | 150.00 | |
| 4360 | Litter/Dog Bins | 120 | General Open Space | 563.68 | |
| 4380 | Grounds Maintenance | 120 | General Open Space | 960.00 | |
| 4400 | Play Area Maintenance | 120 | General Open Space | 150.00 | |
| 4410 | Street Lighting | 120 | General Open Space | 1,450.94 | |
| 6000 | Transfer from EMR | 110 | Adminsitration | | 6,128.20 |
| 6000 | Transfer from EMR | 120 | General Open Space | | 2,578.00 |
| 6001 | Transfer to EMR | 100 | Income | 5,032.78 | |
| Trial Balance Totals : | | | | 290,889.49 | 290,889.49 |
| Difference | | | | 0.00 | |

Earmarked Reserves

| <u>Account</u> | <u>Opening Balance</u> | <u>Net Transfers</u> | <u>Closing Balance</u> |
|------------------------------------|--------------------------|-------------------------|--------------------------|
| 320 EMR - Operation Watershed | 1,390.00 | | 1,390.00 |
| 321 EMR - NHB | 18,946.63 | | 18,946.63 |
| 322 EMR - Section 106 | 0.00 | | 0.00 |
| 323 EMR - CIL | 113,345.94 | 4,454.78 | 117,800.72 |
| 325 EMR - Neighbourhood Plan | 3,580.00 | -3,580.00 | 0.00 |
| 326 EMR - 50% precept | 24,062.00 | 445.50 | 24,507.50 |
| 328 EMR - IT | 0.00 | 451.80 | 451.80 |
| 329 EMR - Meadows Development | 0.00 | 50,000.00 | 50,000.00 |
| 330 EMR - Renewal Playground Equip | 0.00 | 15,000.00 | 15,000.00 |
| | <u>161,324.57</u> | <u>66,772.08</u> | <u>228,096.65</u> |

Chidham and Hambrook Parish Council Contracts

as at 28 June 2021

| Contracts | Service provided | Contractor | Terms of Contract and Current Value |
|--|--|---|---|
| Banking Services | The provision of banking services and facilities, including the banking of receipts and the making of payments by cheque and online | Lloyds Bank | No charge for current account facilities. Small amount of interest received on balances on Instant Savings. |
| Insurance Services | Provision of Insurance Services and Cover for various insured risks | Came & Company | Three year long term contract from 1 June 2019 to 31 May 2022. Annual value in 2021/22 of £875.32. |
| Data Protection Insurance | Data protection insurance for councillors | Information Commissioner's Officer (ICO) | Ongoing contract from 2018. Annual value in 2021/22 of £35. |
| Pension Scheme | Participation of 1 employee on pension scheme | The Crystal Trust (Evolve) | Ongoing participation. Commenced on 1 January 2021 following SuperTrust cease of business. No annual fees. |
| Payroll Services | Provision of payroll services for payment of the Clerks salary and accounting for Income Tax and National Insurance deductions to HMRC | R S Hall | Ongoing contract from 1 April 2021. Annual value in 2021/22 of £100 per annum. |
| Membership of Local Government County body | Representation, advice and training for Parish Councils. | West Sussex Association of Local Councils | Ongoing contract. Annual value in 2021/22 of £565.98. |
| Membership of Local Government national body | Representation at national level for Parish Councils and advice with regard to national initiatives | National Association of Local Councils | Ongoing contract. Annual value in 2021/22 of £137.20. |
| Internal audit | Services in relation to an internal audit of the Council's annual accounts | R S Hall | Annual appointment. Value in 2020/21 of £200. |
| External audit | Services in relation to an external audit of the Council's annual accounts | Moore | National procurement and appointment by SAAA. Value in 2020/21 of £400. |
| Ground Maintenance | Regular grass cutting April to October each year at the playground, verges to Broad Road, Catchpond around bench and mowing Hawthorne Meadow walkways Hedge cutting annually at the playground | Andrews Ground Maintenance | Three year contract from 9 Jan 2020 to Dec 2023. Annual value in 2020/21 of £3,440. |

| Contracts | Service provided | Contractor | Terms of Contract and Current Value |
|--|---|---|--|
| Playground risk inspections | Weekly risk assessments to playground equipment | Andrews Ground Maintenance | Three year contract from 9 Jan 2020 to Dec 2023. Annual value of £625. |
| Playground formal annual inspection | Annual inspection of playground equipment | Royal Society for the Prevention of Accidents (ROSPA) | Annual contract. Annual value in 2020/21 of £103. |
| Ditches - Calloways Lane | Cut strim ditches at Calloways Lane | D Bulbeck | Ongoing arrangement. Annual value of £80. |
| Ditch Warden | Provision of services in relation to ditches in the parish | R Yeld | Ongoing contract. Annual value of £500. |
| Street lighting | Maintenance of street lights and energy provision | West Sussex County Council | Ongoing contract. Annual fee in 2020/21 of £1,080.27 maintenance and £343.14 for energy. |
| Litter/Dog Bin emptying | Provision of annual services for emptying of litter and dog bins | Chichester District Council | Ongoing contract. Annual fee in 2020/21 of £563.68. |
| Website Management & hosting | Provision of Website Management & hosting | VisionICT | Ongoing contract commenced 9 June 2020. Annual value of £250 to cover support, hosting, warranty, SSL certificate etc. Every 2 nd year £55 for the renewal of the .gov.uk domain name. |
| E-mail hosting, contacts and cloud drive | Provision of E-mail maintenance & hosting | Google | Provision of Gmail, contacts, One Drive storage. Fee of £15.99 paid Nov 2020 for increase of Google storage. Ongoing contract. |
| Web video conferencing | Provision of web video conferencing/meeting functionality | Zoom | Ongoing contract from 28 April 2020 at a cost of £143.88 per annum. Added additional host 9 Nov 2020 at the cost of £67.02. |
| Alpha Financial Management | Provision of annual support and maintenance licence for 1 user | Rialtas Business Solutions Ltd | Three year contract from 7 Feb 2019 to Jan 2022 at a cost of £357 (£119 per annum). Ongoing contract. |
| Asset Inventory | Provision of assets inventory support and maintenance licence for 1 user as add on to Alpha Financial Management software | Rialtas Business Solutions Ltd | Ongoing contract commenced 7 May 2020. Annual value in 2021/22 of £119. |
| IT support | 12 months IT support for 10 Councillors and the Clerk & RFO | JNR Computers | Ongoing contract commenced 6 May 2021. Annual value in 2021/2 of £600.00. Microsoft annual licences £902 from 2022. |