

FELSTED PARISH COUNCIL

Minutes of the Finance Committee Meeting held on 29 June 2020 at 5.00 pm by Zoom video conference.

- Present** Councillors John Moore (Chairman), Graham Harvey and Frances Marshall.
- F20/13** **Apologies for absence and declarations of interest**
Apologies were received from Councillor Peter Rose. There were no Declarations of Interest.
- F20/14** **Minutes of the meeting held on 26 February 2020**
The Minutes of the meeting were agreed. They will be signed by the Chairman when the committee next meets in person.
- F20/15** **Matters arising from the February meeting**
15.1 Woodleys Car Park resurfacing (Item F19/32.1) – Members noted that the revised quotation from Ted Anderson had been accepted. However due to the use of the Legion Hall as a temporary post office work had not yet commenced. It was agreed that as the Legion Hall was no longer in use as a temporary post office Ted Anderson would be contacted to confirm a start date for the works.
15.2 Nature Area account signatories with Metro Bank (Item F19/32.3) – The process of amending signatories had been paused due to the Coronavirus situation and the requirement of Metro Bank that signatories attend the branch in person to register.
15.3 Review of PC bank account arrangements (Item F20/05) – It was noted that the full Council had agreed, at the meeting on 4 March 2020 (Item 20/51.4), not to pursue this further in light of the low interest receivable.
15.4 Disaster Recovery/ Continuity policy (Item F20/06) – It was noted that the full Council had approved this at the meeting on 4 March 2020 (Item 20/52).
15.5 Felsted Community Trust (Item F20/10.1) – The process of setting up the bank account for the Felsted Community Trust had been paused due to the Coronavirus situation.
15.6 Prior approval of costs to move concrete block in an emergency situation (Item F20/11) – It was noted that the full Council had agreed, at the meeting on 4 March 2020 (Item 20/51.6) to authorise in advance payments of £30 to Philip Marshall each time the block needed to be relocated.
- F20/16** **Bank Reconciliation and PAYE records**
Due to the Coronavirus situation these could not be signed. They will be signed by the Chairman when the committee next meets in person.
- F20/17** **Consideration of the 2019-20 Year End Accounts and Audit documents**
Members studied the Budget Comparison spreadsheet to 31 March 2020 which had been prepared by the RFO from the Final Accounts. They noted that the final figures for the period to 31 March 2020 had been largely as expected bar a few projects that had been carried forward. These included the play area projects which had been delayed due to lack of availability of promised materials and then the coronavirus situation. It was noted that the closing balance was £132,000 which was higher than the previously anticipated £120,000 but within the expected reserves of 1x to 2x precept.
The Report from the Internal Auditor was noted including the recommendations therein. The Clerk went on to present the Year End Audit Return which included the Annual Governance Statement (Section 1), Accounting Statements (Section 2), Bank Reconciliation as at 31 March 2020 and the Explanation of Variances. Members studied these documents, discussed the figures in detail and confirmed compliance with the requirements of the external auditors and the new Practitioners Guide. It was noted on the Explanation of Variances that the large variances in 'Balances brought forward' and 'Other receipts' were a result of the receipt of the funds for the management of the nature area in the prior year. Members agreed to recommend acceptance of the Year End Audit Return at the July full Council meeting. (Copies of the documents are attached to these Minutes.)

F20/18

Consideration of the 2020/21 Schedule of Donations

Members studied the Donation List prepared by the RFO and noted that donations totalling £1225 had been made in 2019-20.

Members reviewed the Council's donation policy and concluded that no changes were required. Bearing the policy in mind it was agreed to approve donations as follows for 2020-21:

Herts and Essex Air Ambulance - £325

Uttlesford Citizen's Advice Bureau - £300

East Anglian Children's Hospital (EACH) - £300

Felsted Primary School Art Competition prizes – up to £200

Royal British Legion Poppy Appeal - £75

TOTAL - £1200

F20/19

Review of accounts for the current year to date

Members studied the Budget Comparison prepared by the RFO. They agreed the following changes to the 2020-21 Proposed Budget:

19.1 Receipts

- 'Playing Field Rent' figure was amended to £250 following the waiver of the remaining rent agreed by the full Council at the meeting of 3 June 2020 (Item 20/96.4).

- 'Magazine advertising' figure was amended to £2000 in expectation of increased advertising revenue following the start of the easing of the Coronavirus lockdown.

19.2 Payments

- 'Printing (Newsletter)' figure was increased to £2000 in line with the increased support offered by full Council at the meeting of 3 June 2020 (Item 20/93).

The above amendments would result in Proposed Receipts of £82,150 and Proposed Payments of £111,700. Members noted the £29,550 deficit which would reduce the Council's reserves to a level in the region of £103,000, within the expected 1x to 2x precept range.

It was also noted that payments for Nature Area costs were currently being made from the main Barclays Community account as one of the two current signatories is unavailable while shielding due to Coronavirus. These costs are being recorded and will be reimbursed from the Metro Bank account to the Barclays Community account as soon as possible.

F20/20

Pension Regulation – consideration of implications of possible future pension contributions

It was noted by members that when the Assistant Clerk takes up the Clerk role she will be entitled to a pension on the basis of her increased hours and salary. The Assistant Clerk has indicated that she would wish to opt in to a pension scheme. Members accordingly agreed to investigate suitable schemes (such as NEST and those recommended by EALC). It was also noted by members that this would result in a higher financial cost to the council.

F20/21

Any urgent matters and proposals for future agenda items

Cllr John Moore announced his resignation as Chair and as a member of the Finance Committee with immediate effect. Cllr Graham Harvey expressed the gratitude of the members for Cllr John Moore's 10 years of excellent service, having served as chair of the committee for most of that time.

Applications to fill the 2 vacant positions as well as the position of Chair will be sought at the next full Council meeting.

F20/22

Next meeting

The meeting closed at 6.45 pm.

The next meeting will be held on Wednesday 14 October 2020 at 5.00pm

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Chairman

dated

FELSTED PARISH COUNCIL - BANK RECONCILIATION
Financial year ending 31 March 2020
Prepared by Diane Smith (Clerk and RFO) on 19 May 2020

Balance per bank statements as at 31 March 2020

	£	£
Barclays Community Account		135,432.00
Less unpresented cheques as at 31 March 2020:		
10/02/2020 Robert Barnard Chq no. 102903	(100.00)	
17/02/2020 Joyce Stoddart Chq no. 102900	(16.00)	
17/02/2020 David Dempsey Chq no. 102897	(100.00)	
02/03/2020 Essex Playing Field Assn Chq no. 102899	(30.00)	
24/03/2020 DCM Surfaces Chq no. 102905	(2,928.00)	
		(3,174.00)
Petty cash float		99.00
Metro Bank Nature Area Account		83,390.00
Less unpresented cheque as at 31 March 2020:		
03/03/2020 JCM Services - Chq no. 800019		(4,242.00)
Barclays Nature Area Premium Account		64,041.00
Add any unbanked cash at 31 March 2020		0.00
Net balances as at 31 March 2020 (Box 8)		275,546.00
Opening balance 1 April 2019 (Prior year Box 8)		304,057.00
Add: Receipts in the year		
General Parish Council receipts	84,958.00	
Nature Area receipts	40.00	
		84,998.00
Less: Payments in the year		
General Parish Council payments	(103,843.00)	
Nature Area payments	(9,666.00)	
		(113,509.00)
Closing balance per cash book as at 31 March 2020		275,546.00



..... Approved by G M Harvey (Chairman) 1 July 2020

Explanation of Variances 2019-20

Felsted Parish Council

Section 1	2018/19 £	2019-20 £	Variance £	Variance %	Detailed explanation of variance
Box 1 <i>Balances brought forward</i>	136,537	304,057	+ 167,520	+ 123%	
Box 2 <i>Precept</i>	70,000	70,000	-	-	
Box 3 <i>Other receipts</i>	187,633	14,999	- 172,634	- 92%	PLUS £2,400 Grants £ 560 Magazine advertising £ 347 Allotment rents £ 250 Playing field rent £ 56 BT Refunds £ 41 Bank interest TOTAL £3654 MINUS £ 162,772 Nature Area funds £ 4,650 VAT refunds £ 4,440 Willow harvesting on the Nature Area site. £ 4,426 Playing Field Committee residual funds when disbanded TOTAL £176,288
Box 4 <i>Staff costs</i>	18,129	22,429	+ 4,300	+ 24%	PLUS £ 2,749 Tax and National Insurance £ 771 Clerk's salary following review £ 780 Assistant Clerk's salary following review
<i>Loan interest/ capital repayments</i>			-	-	
Box 6 <i>Other payments</i>	71,984	91,081	+ 19,097	+ 27%	PLUS £ 19,416 Play equipment improvements £ 3,802 VAT paid £ 2,060 Training £ 1,836 Parking enforcement £ 679 Office equipment £ 115 Election expenses £ 573 Administration/rent/professional fees/advertising/donations/insurance £ 607 Maintenance and repairs TOTAL £ 29,088 MINUS £ 4,731 Nature Area expenditure £ 756 Street lighting £ 778 Hedge, tree and grass cutting £ 3,726 Village car park TOTAL £ 9,991
Box 7 <i>Balances carried forward</i>	304,057	275,546	- 28,511	- 9%	
Box 8 <i>Cash and short term investments</i>	304,057	275,546	- 28,511	- 9%	
Box 9 <i>Fixed assets & long term assets</i>	793,186	793,186	-	-	
Box 10 <i>Borrowings</i>			-		
Explanation for high reserves					Includes £143,188 Nature Area funds In 2018-19 ownership of 34 acres of land was transferred to the Parish Council to develop and maintain as a Nature Area in perpetuity. A sum of £162,772 was transferred as part of the agreement, to be used exclusively to fund work on the Nature Area for the next 20 years.

Section 1 – Annual Governance Statement 2019/20

We acknowledge as the members of:

Felsted Parish Council

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2020, that:

	Agreed		‘Yes’ means that this authority:
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	✓		<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>
4. We provided proper opportunity during the year for the exercise of electors’ rights in accordance with the requirements of the Accounts and Audit Regulations.	✓		<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority’s accounts.</i>
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		<i>arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.</i>
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		<i>responded to matters brought to its attention by internal and external audit.</i>
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	✓		<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A
			✓
			<i>has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.</i>

*Please provide explanations to the external auditor on a separate sheet for each ‘No’ response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:


01/07/2020

and recorded as minute reference:

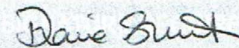
20/114.7

Signed by the Chairman and Clerk of the meeting where approval was given:

Chairman



Clerk



Other information required by the Transparency Codes (not part of Annual Governance Statement)

Authority web address

www.felsted-pc.gov.uk

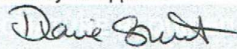
Section 2 – Accounting Statements 2019/20 for

Felsted Parish Council

	Year ending		Notes and guidance
	31 March 2019 £	31 March 2020 £	
1. Balances brought forward	136,537	304,057	Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records. Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	70,000	70,000	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	187,633	14,999	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	18,129	22,429	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	71,984	91,081	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	304,057	275,546	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	304,057	275,546	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	793,186	793,186	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.
		✓	N.B. The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2020 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval



Date

29/06/2020

I confirm that these Accounting Statements were approved by this authority on this date:

01/07/2020

as recorded in minute reference:

20/114.8

Signed by Chairman of the meeting where the Accounting Statements were approved

