

FELSTED PARISH COUNCIL



Minutes of the Finance Committee Meeting

held on 18th May 2022 at 6.30 pm by Zoom video conference.

- Present** Councillors Roy Ramm (Chair), Frances Marshall, Graham Harvey, John Moore (left meeting at 19:10) and Richard Silcock.
- F22/17 **Apologies for absence and declarations of interest**
There were no Apologies or Declarations of Interest.
- F22/18 **Election of Chair**
Councillor Graham Harvey proposed Councillor Roy Ramm remain as chair, seconded by Councillor Richard Silcock and unanimously approved.
- F22/19 **Approval of Minutes of the meeting held on 23rd February 2022**
The Minutes of the meeting were approved. They will be signed by the Chairman at his next meeting with the RFO.
- F22/20 **Matters arising from the previous Minutes (not covered elsewhere on this Agenda)**
None.
- F22/21 **Bank Reconciliation and PAYE records**
The bank reconciliations were reviewed and will be signed by the Chair and Councillor Frances Marshall at their next meeting with the RFO.
- F22/22 **Consideration of the 2021-22 year-end Accounts**
Members studied the year end Budget Comparison prepared by the RFO (appended on page 4). The following items were noted

21.1 Receipts

- These had come in around £3,000 lower than expected. This was a result of the move to Quarterly rather than monthly publication for the Felsted Focus, offset by higher than budgeted grant receipts and unbudgeted income relating to the Felsted Christmas Tree.

21.2 Payments

- These had come in £39,000 above the budgeted amount, primarily as a result of the completion of the delayed internal works to the Crix Green Mission Hall (£21,000), unanticipated tree works (including £6,000 for the removal of the Copper Beech tree in the Churchyard), repairs to the exterior of the Playing Field Pavilion (£5,000) and increases in pay for the village attendant to bring his hourly rate in line with services provided (£2,000) and hours for the Clerk and Assistant Clerk to reflect actual worked hours (£1,000).

The year-end Receipts were £94,839 and Payments were £134,344. Members noted the £39,505 deficit which would reduce the Council's reserves to £59,781, below the lower end of the expected 1x to 2x Precept range.

F22/23

Consideration of the Internal Audit Report for 2021-22

The Committee considered the Internal Audit Report in detail and noted the recommendations made by the Internal Auditor (Annual Internal Audit Report appended on page 5, full Internal Auditors written report available on Felsted Parish Council Website - <https://www.felsted-pc.gov.uk/meetings/documents/>).

In relation to the first recommendation councillor Graham Harvey noted that the Section 106 agreement granting funds for the maintenance of the Nature Area prohibited the investment of the funds.

Committee members also agreed that given the current levels of council funds it would be better to consider an Investment Policy in line with recommendation 2 once reserves had been rebuilt and any such Policy should be very financially conservative.

The Committee noted that the third recommendation to review and enhance the financial regulations to cover all electronic payments had already been completed at the previous Full Council meeting. Regarding the rotation of the reviewer and authoriser of electronic payments the Committee felt that an annual rotation at the Finance Committee meeting where the new Chair of the Finance Committee is elected would be sufficient and agreed to proceed with this in 2023.

The RFO noted he would contact the Memorial Hall Committee to clarify the ownership and responsibilities relating to the War Memorial. This was done post meeting and it was confirmed that the Memorial Hall Committee as a registered charity are owners of both the Memorial Hall and the War Memorial. The contribution by the Parish Council to the insurance of the War Memorial is an historic agreement and the Memorial Hall Committee would come back to the RFO with any documentation from their records.

The RFO noted he would contact the bank account providers for the Nature Area accounts to request that they send at a minimum a year end bank statement.

The Committee noted that the Internal Audit Report was clearly written and the Auditor had provided clear guidance within the report to the council and expressed their thanks to the Internal Auditor for her work.

F22/24

Consideration of 2021-22 year-end Audit Annual Governance Statement

The RFO presented the Year End Audit Annual Governance Statement (Section 1) – appended on page 6. Members studied the document and confirmed compliance with the requirements of the External Auditors and the new Practitioners Guide. Members agreed to recommend acceptance at the June full Council Meeting.

F22/25

Consideration of the 2020-21 year-end Audit Accounting Statements and Audit Return

The RFO presented the Year End Audit Accounting Statements (Section 2) – appended on page 7. The RFO noted that the figures to 31 March 2022 had prepared on an income and expenditure basis. Members studied the document and discussed the figures and agreed to recommend acceptance at the June full Council Meeting.

F22/26

Review of Accounts for the current year to date

Members studied the budget comparison prepared by the RFO (appended on page 4) and noted the following items:

- The Estimated actual vs budget for the year end was for a £4,528 surplus vs budget.
- The RFO noted that this was driven by the salary and expenses line item and had confirmed with the payroll providers that the increase in hours had been processed. It was noted that there would also be increased expenditure on PAYE and National Insurance which had not yet been received and this would likely offset the surplus to date in this line item.

The RFO also noted that with only 1½ months of expenditure so far it was difficult to draw any firm conclusions on likely year end surplus or deficits.

F22/27

Insurance Renewal

The RFO confirmed that the previous insurance brokers (Came & Co) had been merged into Gallagher Insurance brokers. The quote received from Gallaghers had initially not included subsidence cover but this had been included at no additional cost following a query by the Clerk. The RFO noted that the brokers had only provided a quote from 1 insurance company (Hiscox). Members noted that the insurance was due for renewal on 1st June and the Platinum Jubilee events were happening shortly and agreed to proceed with a 1y policy with Hiscox. Councillor Graham Harvey noted Hiscox were a well known and respected insurance company who would provide good cover.

Following the meeting Councillor Graham Harvey spoke to the previous insurers who confirmed that they had withdrawn from offering insurance to Parish Councils. They recommended a council insurance specialist brokers who were contacted. They confirmed that premiums had risen by approximately 12% for councils year on year and that they would not be able to advise a premium before the renewal date.

F22/28

Nature Area VAT Refund

The RFO updated the Committee on the transfer of the VAT refund received for the Nature Area. This had been calculated and came to a total of £4,757.99. The RFO noted he would add this to the unpaid bills list for the coming Full Council Meeting to transfer this amount from the Parish Council Barclays account to the Nature Area Barclays Account.

F22/29

Crix Green Mission Hall

It was noted by Councillor John Moore that following completion of the Crix Green Mission Hall refurbishment and the council's financial commitment it was hoped that greater use might be made of the hall. Councillor Frances Marshall noted that it had to date only been a short time since completion and the hall had not been in use for the previous 2 years during the pandemic. It was suggested that it would be worth contributing a piece to the Felsted Focus to increase awareness of the Hall and it's possible use.

F22/30

Consideration of 2022-23 Schedule of Donations

Members studied the Donation List prepared by the RFO and noted that donations totalling £1,000 had been made in 2021-22. It was agreed that the donations list as presented was appropriate but that approval would be deferred until a Finance Committee later in the year when the expenditure position was better known.

F22/31

Review of Conduct of future Finance Committee Meetings

It was agreed that the 27th July Finance Committee Meeting would take place by Zoom.

F22/32

Any urgent matters and proposals for future agenda items

F22/32.1 Consideration of Financial Regulations Authority to Spend Limits.

Following the Full Council suggestion to review the Authority to Spend Limits within the Financial Regulations (22/103) the Finance Committee reviewed the current limits and agreed to recommend to Full Council that the authority for expenditure determined by the Clerk/RFO, in conjunction with the Chair of the Council or Chair of the Finance Committee be increased from £500 to £1,000.

F22/32.2 Additional Expenditure on Pavilion

The contractor undertaking the internal refurbishment of the pavilion had advised that there were currently no hand basins or hot water in the toilets. They quoted an additional cost of £1,700 + VAT to supply and install these, with the contractor undertaking the installation works free of charge. The Committee considered the quote and agreed that the basins were necessary and should be installed ahead of the Platinum Jubilee celebrations in order to allow full use of the Pavilion for the Event. Payment was proposed by Cllr Frances Marshall, Seconded by Cllr Richard Silcock and passed unanimously.

F22/33

Next meeting

The meeting closed at 7.40pm.


The next meeting will be held on 27th July 2022 at 5.00pm by Zoom.

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Chairman

Dated

F22/22 – Consideration of the 2021-22 year-end Accounts

 FPC - Budget Comparison to 31 March 2022							
	Budget 2021-22		Actual 2021-22		Actual - Budget		Notes
	£	£	£	£	£	£	
Opening Balance		99,286		99,286			
RECEIPTS							
Precept	85,000		85,000		0		
Allotments Rents	1,535		1,723		188		
Playing field rent	250		0		-250		
Grants	0		2,351		2,351		
Sundry other receipts	1,215		2,502		1,287		Includes £1100 contributions to Christmas Tree
Magazine advertising & donations	10,128		3,263		-6,865		Lower income due to move to qtrly publication of Felsted Focus
Total Receipts		98,128		94,839		-3,289	
PAYMENTS							
Salary and Expenses		31,058		34,210		3,152	Increase in Clerk and Assistant Clerks hours
Street Lighting		4,838		4,640		-198	
Administration		18,252		11,837		-6,415	Lower expenditure due to move to qtrly publication of Felsted Focus
Maintenance, repairs and upkeep		27,893		51,628		23,735	Cost for Copper Beech removal rolled over from 2020-21, pay increase for village attendant after 5+ years plus repairs to Pavilion Roof
Projects		9,354		28,055		18,701	Final Crix Green works rolled over from 2020-21 and new passing place on Jolly Boys Lane North
Sundry		3,817		3,973		156	
Total Payments		95,213		134,343		39,130	
Closing Balance - Income and Expense		102,201		59,782		-42,419	

F22/26 - Review of Accounts for the current year to date



FPC - Budget Comparison to 11 May 2022

	Budget 2022-23		Actual 2022-23		Year End Estimate		YE Estimate - Budget		Notes
	£	£	£	£	£	£	£	£	
Opening Balance		62,459		62,459		62,459			
RECEIPTS									
Precept	106,000		53,000		106,000		0		4 plots from previous year not taken up
Allotments Rents	1,700		-108		1,700		0		
Playing field rent	500		0		500		0		
Grants	0		0		0		0		
Sundry other receipts	0		0		0		0		
Magazine advertising & donations	4,516		220		2,800		-1,716		Estimate based on 2021-22
Total Receipts		112,716		53,112		111,000		-1,716	
PAYMENTS									
Salary and Expenses		48,598		2,944		41,803		-6,794	Clerks Salary queried with Payroll
Street Lighting		5,453		799		5,895		442	
Administration		11,523		1,136		11,143		-380	
Maintenance, repairs and upkeep		40,807		3,690		41,205		398	
Projects		6,958		1,502		6,460		-498	
Sundry		4,762		0		5,351		590	
Total Payments		118,101		10,070		111,858		-6,244	
Closing Balance		57,074		105,501		61,601		4,528	

F22/23 - Consideration of the Internal Audit Report for 2021-22

Annual Internal Audit Report 2021/22

FELSTED PARISH COUNCIL

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During the financial year ended 31 March 2022, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2021/22 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	/		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	/		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	/		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	/		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	/		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			/
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	/		
H. Asset and investments registers were complete and accurate and properly maintained.	/		
I. Periodic bank account reconciliations were properly carried out during the year.	/		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	/		
K. If the authority certified itself as exempt from a limited assurance review in 2020/21, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2020/21 AGAR tick 'not covered')			/
L. The authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements	/		
M. The authority, during the previous year (2020-21) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).	/		
N. The authority has complied with the publication requirements for 2020/21 AGAR (see AGAR Page 1 Guidance Notes).	/		

N/A

O. (For local councils only)	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.			/

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

Name of person who carried out the internal audit

15/02/2022 29/04/2022 09/05/2022

EN VAL-ERANG PSLCC

Signature of person who carried out the internal audit

Val-erang

REQUIRED

Date

09/05/2022

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

F22/24 - Consideration of 2021-22 year-end Audit Annual Governance Statement

Section 1 – Annual Governance Statement 2021/22

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 2022, 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
			✓

*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:

DD/MM/YY

and recorded as minute reference:

MINUTE REFERENCE

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

Chairman

SIGNATURE REQUIRED

Clerk

SIGNATURE REQUIRED

ENTER PASSWORD <https://www.felsted-pc.gov.uk/DOSS>

F22/25 - Consideration of the 2020-21 year-end Audit Accounting Statements and Audit Return

Section 2 – Accounting Statements 2021/22 for

Felsted Parish Council

	Year ending		Notes and guidance
	31 March 2021 £	31 March 2022 £	
1. Balances brought forward	275,998	240,997	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	77,000	85,000	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	16,308	9,845	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	29,029	30,915	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	99,280	105,848	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	240,997	199,079	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	238,342	206,298	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	951,458	969,053	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	N/A
			✓
			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 2022 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

SIGNATURE REQUIRED

Date

12th April 2022

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

SIGNATURE REQUIRED

as recorded in minute reference:

MINUTE REFERENCE

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

SIGNATURE REQUIRED