

FELSTED PARISH COUNCIL



Minutes of the Finance Committee Meeting

held on 24th May 2023 at 6.00 pm in the Committee Room at the URC Hall.

Present Councillors Roy Ramm (Chair), Frances Marshall, Graham Harvey, Richard Silcock (left during F23/16), John Moore and the RFO (Daniel Plunkett).

F23/11 Apologies for absence and declarations of interest
There were no Apologies or Declarations of Interest.

F23/12 Approval of Minutes of the meeting held on 22nd February 2023
The Minutes of the meeting were approved and signed by the Chairman.

F23/13 Matters arising from the previous Minutes (not covered elsewhere on this Agenda)

F23.06 – Consideration of CCTV quotes and grant

Following confirmation at the previous Full Council meeting (23/121) that the grant application for the cost of the CCTV had been unsuccessful the Finance Committee had been asked to consider again whether the council could afford the cost in the current financial year. The Committee felt that the CCTV would prove a positive asset to the Parish. However, given the possible expenditure required for consultants to ensure delivery of the doctor's surgery it was felt that it would be prudent to discuss this again later in the year. This would allow more information on the extent of such costs and on other expenditure compared to the budget to be considered. It was therefore recommended to include the consideration on the agenda for the November Finance Committee meeting.

F23.03.1 – Felsted Village Events Committee

The RFO reported that following the successful completion of the re-KYC process required by Barclays he would proceed with the opening of a separate bank account to hold the proposed donation from the Felsted Village Events Committee. Once this was done the terms of the donation and the regulations for the Events Sub-committee and its membership would need to be discussed and agreed.

F23.03.2 – Solar Farms

Councillor John Moore noted that given the possibility of a planning application being made for a new solar farm it would make sense for Councillor Richard Silcock to wait before investigating the possibility of the council setting up and running a solar farm. Councillor Silcock noted that his investigations were still ongoing and would be useful in the event of any such planning application being turned down as if the Parish was to run the solar farm there would be control over the use of the site following decommissioning.

F23/14 Bank Reconciliation and PAYE Records

The bank reconciliations and PAYE records were reviewed and signed by the Chair and Councillor John Moore.

F23/15 Consideration of the 2022-23 Year End Accounts

Members studied the Year End accounts produced by the RFO (appended on page 4) and noted the following items:

- There was a small surplus vs budget of £765 for the year.
- Street lighting maintenance and electricity costs had come in higher than budgeted for the year because of an above budget increase in electricity costs and higher than forecast repairs to streetlights during the year.
- Salary and Expenses costs had come in lower than budget primarily due to reduced official's expenses and also a reallocation of these expenses to other budget lines

where relevant.

- Maintenance, Repairs and Upkeep had come in below budget mainly because of the village attendant having time off for medical reasons.
- Sundry costs had come in higher than budget with increased costs for both insurance and a higher than budgeted cost for the risk assessment that was undertaken.
- Magazine advertising and donations were lower than budgeted. The RFO and Councillor Roy Ramm agreed to meet separately with the editor to discuss this.

F23/16 Consideration of the Internal Audit Report for 2022-23

The Committee considered the Internal Auditors Report in detail and noted the recommendation 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 recommendation, the budget for the current year allowed for a projected surplus to rebuild the reserves and the need to increase reserves steadily had been agreed by the Committee at previous meetings.

The Committee also agreed to recommend that Full Council consider the provision of a debit/credit card with a limit of up to £1,000 to the Clerk as suggested by the Internal Auditor. 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.

F23/17 Consideration of the 2022-23 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.

F23/18 Consideration of the 2022-23 year-end Audit Accounting Statements and Audit Return

The RFO presented the Year End Audit Accounting Statements (Section 2) – appended on page 7. Members studied the document and discussed the figures and agreed to recommend acceptance at the June full Council Meeting.

F23/19 Review of Accounts for the current year

Members studied the budget comparison prepared by the RFO (appended on page 8) and noted the following items:

The Estimated actual vs budget for the year end was for a £2,914 surplus.

The RFO noted that this was driven by lower expenses on several budget lines:

- Street lighting electricity costs were coming in below the budgeted amount with the current reduction in electricity prices.
- Training was currently coming in below budget, but it was noted that there was training on both defibrillators and first aid planned alongside the normal ongoing training.
- Maintenance was coming in higher than budgeted due to higher cost on the cleaning and maintenance of the playing field toilets. The members considered that the expense was worthwhile given the improvements in the condition of the toilets.
- Sundry expenses were below budget due to the lower cost of insurance obtained via the 3-year long term agreement with the new insurers.

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.

It was also noted that the Village Attendant had not yet made any increase in his invoiced hourly rate and that his current rate was considered competitive.

- F23/20 **Consideration of the 2023-24 Schedule of Donations**
Members studied the Donation List prepared by the RFO and noted that donations totalling £1,000 had been made in 2022-23. It was agreed to remove the Primary School Art Competition Prizes donation as this had not been held since the Corona virus pandemic and the remaining donations were approved. It was agreed that the payments would be made at the October Full Council meeting.
- F23/21 **Renewal of Insurance**
The RFO confirmed that as per the Full Council meeting approval (23/118.3) the 3-year long term agreement with Zurich Insurance had been put in place.
- F23/22 **Review of Conduct of future Finance Committee Meetings**
It was agreed that the 26th July 2023 Finance Committee Meeting would take at the earlier time of 5pm in the Committee Room of the URC Hall (subject to availability).
- F23/23 **Any urgent matters and proposals for future agenda items**
None.
- F23/24 **Next meeting**
The meeting closed at 7.10pm.
The next meeting will be held on 26th July 2023 at 5.00pm in the Committee Room at the URC Hall, Stebbing Road, CM6 3JD.

..... Chairman Dated

F23/15 - Consideration of the 2022-23 Year End Accounts



FPC - Budget Comparison to 31 March 2023

	Budget 2022-23		Actual 2022-23		YE Actual - Budget	
	£	£	£	£	£	£
Opening Balance		59,782		59,782		
RECEIPTS						
Precept	106,000		106,000		0	
Allotments Rents	1,700		1,503		-197	
Playing field rent	500		515		15	
Grants	0		1,043		1,043	
Sundry other receipts	0		700		700	
Magazine advertising & donations	4,516		1,564		-2,952	
Total Receipts		112,716		111,325		-1,391
PAYMENTS						
Salary and Expenses		48,598		44,537		-4,060
Street Lighting		5,453		8,491		3,037
Administration		11,523		11,793		270
Maintenance, repairs and upkeep		40,807		38,910		-1,897
Projects		6,958		6,299		-660
Sundry		4,762		5,915		1,153
Total Payments		118,101		115,945		-2,156
Closing Balance		54,397		55,162		765

F23/16 - Consideration of the Internal Audit Report for 2022-23

Annual Internal Audit Report 2022/23

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During the financial year ended 31 March 2023, 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 2022/23 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.			N/A
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 2021/22, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2021/22 AGAR tick "not covered")			/
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	/		
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2022-23 AGAR period, were public rights in relation to the 2021-22 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).	/		
N. The authority has complied with the publication requirements for 2021/22 AGAR (see AGAR Page 1 Guidance Notes).	/		
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

02/05/2023 03/05/2023

Name of person who carried out the internal audit

VAL EVANS PSLCC

Signature of person who carried out the internal audit

Val Evans

Date

03/05/2023

*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).

F23/17 - Consideration of the 2022-23 year-end Audit Annual Governance Statement

Section 1 – Annual Governance Statement 2022/23

We acknowledge as the members of:

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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 2023, 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.	✓		prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
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.	✓		has only done what it has the legal power to do and has complied with Proper Practices in doing so.
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.	✓		during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
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.	✓		considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		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.
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		responded to matters brought to its attention by internal and external audit.
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.	✓		disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
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:

08/04/2023

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 FULL PUBLISHED ADDRESS OF THE AUTHORITY

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F23/18 - Consideration of the 2022-23 year-end Audit Accounting Statements and Audit Return

Section 2 – Accounting Statements 2022/23 for

FELSTED PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2022 £	31 March 2023 £	
1. Balances brought forward	240,997	199,079	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	85,000	106,000	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	9,845	5,506	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	30,915	43,889	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	105,848	76,332	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	199,079	190,364	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	206,298	194,506	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	969,053	999,259	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).

For Local Councils Only	Yes	No	N/A	
11a. Disclosure note re Trust funds (including charitable)		✓		The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.
11b. Disclosure note re Trust funds (including charitable)			✓	The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2023 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

03/05/2023

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

DD/MM/YYYY

as recorded in minute reference:

MINUTE REFERENCE

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

SIGNATURE REQUIRED

F23/19 - Review of Accounts for the current year



FPC - Budget Comparison to 18 May 2023

	Budget 2022-23		Actual 2022-23		Year End Estimate		YE Estimate - Budget	
	£	£	£	£	£	£	£	£
Opening Balance		55,161		55,161		55,161		
INCOME								
Precept	113,950		56,975		113,950		0	
Allotments Rents	1,700		0		1,700		0	
Playing field rent	500		0		500		0	
Grants	0		1,200		1,200		1,200	
Sundry other receipts	0		669		669		669	
Magazine advertising & donations	2,150		10		78		-2,072	
Total Income		118,300		58,854		118,097		-203
EXPENSES								
Salary and Expenses		42,013		3,599		42,857		844
Street Lighting		12,799		826		9,217		-3,583
Administration		12,511		1,314		10,091		-2,420
Maintenance, repairs and upkeep		32,210		6,854		35,223		3,013
Projects		7,950		1,522		8,049		99
Sundry		5,257		0		4,187		-1,070
Total Expenses		112,742		14,116		109,624		-3,118
Closing Balance		60,719		99,899		63,634		2,914