

NORTHWAY PARISH COUNCIL

Minutes of a meeting of the Finance Committee held on Monday, 27th May 2020 commencing at 7.00pm.

Following the passing of the Coronavirus Act 2020 (c.7) Councils are unable to meet in person during the COVID emergency. This meeting was therefore held via a Zoom link, with Councillors connecting remotely. The meeting commenced at 7.00 p.m.

Present: Cllr J Roberts (Chairman) Cllr Mrs P Godwin (Vice-Chairman)
Mrs E MacTiernan Cllr Mrs S Terry
Cllr S Ward

In Attendance: Mrs C Woodward, Clerk of the Council

FIN/30/20 Apologies for Absence

Cllrs Phennah and Shelton had tendered their apologies. No further apologies for absence were received.

FIN/31/20 Declarations of Interest

No declarations of interest, as required by the Code of Conduct adopted by the Parish Council on 1st July 2012 (Minute Ref C/159/12), including paragraph 12(2), were made.

FIN/32/20 Minutes of the Previous Committee

Cllr Godwin PROPOSED that the Minutes of the Finance Committee Meeting that took place on 29th January 2020 be approved as a true and accurate record. Cllr Ward SECONDED.

FOR: Cllr Godwin Cllr Ward
Cllr MacTiernan Cllr Roberts

ABSTENSIONS: Cllr Terry

FIN/33/20 Matters Arising from the Previous Minutes

FIN/25/20 Northway Community Hub – *The trade waste bin had been exchanged for a smaller one and recycling was now taking place.*

FIN/29/20 Damaged Table – *The Clerk reported that a new table had been purchased as agreed (to replace the damaged children's table).*

FIN/34/20 Parish Council's Accounts up to 31st March 2020

- a. **Review of Statements/Invoices** – As Members were unable to meet physically the review of statements/invoices was deferred although it was noted that the Accountant undertook a check each month as well as the Clerk.

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FIN/34/20 **Parish Council's Accounts up to 31st March 2020** (Continued)

- b) **Bank Reconciliation and Balance Sheet** – Members went through the Reconciliation and agreed it reconciled to the bank statement.

Signing of the Bank Reconciliation would be deferred until physical meetings were permitted.

Members reviewed the balance sheet and no queries were raised.

Cllr Roberts PROPOSED approval of the Bank Reconciliation and Balance Sheet.

FOR: UNANIMOUS

- c) **Budget Statement** – Members received the Budget Statement (Detailed Income & Expenditure). Members went through it and Cllr MacTiernan queried the overspend on Cost Centre 101 Administration 1163 ADM Youth Work. The Clerk responded that she had noticed this earlier in the day. She reminded Members that the previous year they had contracted two Play providers (Play Rangers and World Jungle), costing approximately £5000.00. There had been sufficient funds for this as £3,000 was in the 1163 budget and there was a further £2,355 in the Ear Marked Reserves (EMR). There should be no overspend showing and the Clerk agreed to investigate where the money from the EMR had been placed.

Cllr MacTiernan also queried the overspend on Cost Centre 102 Civic & Democratic Chairman's Allowance. The Clerk said that this was due to the amount of Community Events held over the year. A separate Event heading had been created for the current year. Cllr Ward also pointed out that the Civic chain had also been engraved.

It was also noted that there was a considerable overspend on Cost Centre 103 Northway Community Hub 1312 HUB - Water Rates/Sew. This was because no bill had been received for water at the Hub since 2017 and the Clerk referred to the discussion that had taken place at the last Full Council Meeting relating to this. Cllr Terry PROPOSED approval of the Budget Statement. Cllr Godwin SECONDED.

FOR: UNANIMOUS

FIN/35/20 **Asset Register**

Members had a copy of the Asset Register attached to their Agenda as part of the Financial Statements. The Clerk pointed out that there were some items not on it which had, historically, never been included (mainly benches and bins) and queried whether the Council would like to undertake a full asset audit at some point in the year.

Cllr Ward PROPOSED that the Admin Assistant could do this using the mapping system (Parish Online). Cllr Terry SECONDED.

FOR: UNANIMOUS

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FIN/36/20 Annual Governance and Accountability Return 2019/20 (AGAR)

- i. **AGAR and Covid-19** – The Clerk explained to Members that due to the current Covid-19 pandemic a Statutory Instrument ‘The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020’ had been introduced which decided that:-
- The publication date for final, audited, accounts would move from 31 July for Category 1 authorities and 30 September for Category 2 authorities to 30 November 2020 for all local authority bodies.
 - To give local authorities more flexibility, the requirement for the public inspection period to include the first 10 working days of June (for Category 1 authorities) and July (for Category 2 authorities) had been removed. Instead local authorities must commence the public inspection period on or before the first working day of September 2020.
- vi. **Internal Auditor’s Report** - At the request of the Clerk item 7vi was moved forward. The Clerk informed Members that the signed Internal Report for the Annual Return had been received that afternoon. It was noted that the auditors had given ‘Not Covered’ responses in respect of the Control Objectives K, L, and M and they were required to explain why.

Objective K – The reason for the ‘Not Covered’ response for this was that it was not applicable to Northway Parish Council, as it did not certify itself as exempt from External Audit.

Objective L – The reasons for the ‘Not Covered’ response to this was, although they had seen the completed Notice document, there was no formal documentary evidence that the required Notice was posted as required. There was no requirement for this documentary evidence to be maintained and it was therefore impossible for an auditor to independently verify this. It was an issue that had been discussed with the External Auditors and they expect most, if not all, Councils would also have a ‘Not Covered’ as a response from their Internal Auditors.

Objective M – The reasons for the ‘Not Covered’ response to this was that it was the Auditors understanding that the Council did not act as a Trustee.

Members viewed (on screen) the Internal Audit Summary 2019-20 and went through boxes A to M noting the overall rating to be 90.65%. Two observations were noted on I and J. [\(Copy attached to Agenda\)](#).

- The Year End bank reconciliations were unsigned. It was observed that this was due to the current Covid-10 and that these should be signed as soon as possible after lockdown with a copy being sent to the Auditor. (Priority High)

Members noted this and agreed to action as soon as possible.

- It was not possible to agree the draft accounting statements to the draft values in the Annual Accounting Statements. This related to a variance in the Year End Trial Balance where Staff Costs were over by £284 and other expenses under by £284. It was also noted that the Council do not produce Annual Return figures from the Omega accounting system. A standalone for was used to produce the year end Annual Return figures.

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FIN/36/20 **Annual Governance and Accountability Return 2019/20 (AGAR)** (Continued)

The Clerk explained that she had previously had a discussion with the Accountants about this and the figure related to a period (2016/2017) relating to PAYE and statutory maternity pay. The Clerk also pointed out that the Auditors had never previously raised how the Annual Return figures were produced but that this could be changed to accommodate the recommendation of the Auditor. The priority was marked as high for this.

Members noted this and agreed to follow the recommendations.

Annual Internal Audit Report – A copy of the signed reported was tabled (on screen) for Members to see. All objectives were agreed (except for K, L and M which were referred to earlier in the meeting. (Hard copies would be forwarded by mail).

Cllr Roberts PROPOSED acceptance of the report.

FOR: UNANIMOUS

ii. **Annual Governance Statement** – Members went through the statement in order as follows: -

	Agreed- Yes or No	'Yes' means that the council:
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	Yes	<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.	Yes	<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	Yes	<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 elector's rights in accordance with the requirements of the Accounts and Audit Regulations.	Yes	<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.	Yes	<i>Considered and documented the financial and other risks it faces and dealt with them properly.</i>

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FIN/36/20 **Annual Governance Statement** Continued

	Agreed- Yes or No	'Yes' means that the council:
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	Yes	<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.	Yes	<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 smaller authority and, where appropriate have included them in the accounting statements.	Yes	<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.	N/A	<i>has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.</i>

Members reviewed their responses and Cllr Roberts PROPOSED these responses were recommended to Full Council.

FOR: UNANIMOUS

iii. **Accounting Statements** – Members reviewed the Accounting Statements and Cllr Ward PROPOSED they were recommended to Full Council. Cllr Terry SECONDED.

FOR: UNANIMOUS

iv. **Financial Statements for the Year ended 31 March 2020** - Members reviewed the Financial Statements. Cllr MacTiernan enquired why the Trade Debtors on page 9 was a figure of £415 for the past two years. The Clerk could not explain and agreed to investigate this further.

Cllr Roberts PROPOSED that the Financial Statements were recommended to Full Council for approval.

FOR: UNANIMOUS

v. **Public Rights Notice** – Members received a copy of this for information.

vi. **Internal Auditor’s Report** - Considered earlier in the meeting.

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FIN/36/20 **Annual Governance Statement** Continued

vii. **Further Items** – No further items were raised, and Cllr Terry thanked the Clerk for the work involved in this

FIN/37/20 **Webpage**

The Clerk reminded Members that there was a legal requirement that the Parish Council conforms to the Website Accessibility Regulations by August 2020. The deadline had not been changed despite the current pandemic. To move things along more swiftly Cllr Ward PROPOSED that the Clerk along with the IT Working Party were given delegated approval to progress this including spending up to £4900.00. Cllr MacTiernan SECONDED.

FOR: UNANIMOUS

FIN/38/20 **Internet Banking**

It was agreed at the May 2020 Full Council meeting that the Finance Committee should investigate moving towards internet banking. The Clerk had not yet had time to produce any further information relating to this. Cllr Roberts PROPOSED this was deferred to a later meeting.

FOR: UNANIMOUS

FIN/39/20 **Changing Room Lease**

The Lease for the Changing Room was up for renewal August 2020. The Clerk had contacted the current tenants who were happy for things to continue for another three years on the same basis. The Clerk had been in touch with the Solicitors, (Thomson & Bancks) previously used to get costings for the renewal and was advised by them that the estimated fee would be £1,250.00. The Solicitor also pointed out that since the lease was set up the government had introduced new regulations governing the energy efficiency of commercial buildings, called the Minimum Energy Efficient Standard (MEES). The changing block may come under the MEES and they would investigate this further once instructed.

After talking with Cllr Roberts, Chairman of the Finance Committee, the Clerk had also contacted the legal department at Tewkesbury Borough Council to see if they were taking on outside work and whether they would be interested in helping. The Senior Lawyer responded saying it was something they could do and would estimate £300 plus disbursements with the possibility of advertising.

Cllr Roberts PROPOSED that the Council instruct the One Legal Team at the Borough Council to act on the Council's behalf.

FOR: UNANIMOUS

Cllr Roberts did add that if the Parish Council had to pay this fee on a three yearly basis it may be beneficial to extend the terms of the least to six years. This could include a break clause at three years so either party could end the agreement if necessary. Cllr Ward PROPOSED that the Clerk

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FIN/39/20 **Changing Room Lease** (Continued)

make enquiries with the Football Club to see if they would be interested in moving forward on this basis. Cllr Terry SECONDED.

FOR: UNANIMOUS

FIN/40/20 **Northway Community Hub & Parish Office**

Members received Service sheets provided by Laser Alarms following the service undertaken at the building on the 25th February 2020. All was in order.

FIN/41/20 **Correspondence for Information**

- i. **Tewkesbury Borough Council (TBC)** – Confirmation that the first half of the precept payment was received at the end of April.
- ii. **Public Work Loan Board** – Members received the latest statement showing a balance outstanding at 31st March 2020 of £220,000.00. The Clerk also informed Members that they would no longer be referred to as the Public Work Loan Board by HM Treasury. The terms of the loan were unaffected.
- iii. **HSBC** – A circular with various changes to terms and conditions.

FIN/42/20 **Correspondence received after 20th May 2020**

- i. **British Telecommunications (BT)** – An offer to receive Broadband ‘Enhanced’ at no additional cost. It was agreed that the Clerk should investigate this further and see if it was a suitable option for the Parish Council (and did not include an internet phone).

As there was no further business the meeting concluded at 9.10p.m.