



Appleton Parish Council

Minutes of the meeting of the Finance and General Purposes Committee on Thursday 4th June 2020 at 9.30am

Present

Councillor P Walker, Councillor J Wheeler, (Present from 9.45am), Councillor S Benger and Councillor B Axcell.

Mrs J Monks (Clerk) and Mrs I Derbyshire (Assistant Clerk).

1. Welcome and apologies for absence

Councillor P Walker welcomed everyone to the meeting.

2. Members Code of Conduct

None declared.

3. Matters Arising

None

4. Investment Strategy and Savings accounts

The clerk reported that the current bank account balances were as follows;

NatWest current account £168,018.10 at as 31st May 2020.

Nationwide Building Society £55,483.74 at as 31st May 2020.

Mansfield Building Society balance is £85,000 at as 31st May 2020.

The limit under the Financial Compensation Scheme is £85,000 as such the amount of £29,516.26 needs to be transferred from the NatWest to the Nationwide account.

RESOLVED that;

The amount of £29,516.26 was transferred from the NatWest current account into the Nationwide Savings Account.

The clerk reported that the interest rates have dramatically decreased since Covid-19 as such the current interest rates are as follows;

NatWest current account nil interest.

Nationwide Business Savings account interest has been reduced to 0.05%.

Mansfield Building Society Business account interest is 0.7% from 1st June 2020.

The Parish Council approved the opening of a notice account to gain more interest and for a long-term investment in January 2020, the opening of this account was delayed until the precept for 2020/2021 was received.

RESOLVED that;

The clerk should open an additional bank account with United Trust bank which was a 100-day notice account with £85,000 at the interest rate of 1.3%.

Councillor J Wheeler entered the meeting at 9.45 am and apologised for the delay due to technical issues.

5. End of year accounts and Internal Auditor report

The clerk confirmed that the end of year account had been completed and the accounts for 2019/2020 had been returned by the internal auditor. The cost of the interim and end of year audit was £350.00 plus VAT. The internal auditors report was as follows;

The internal audit of Appleton Parish Council is carried out by undertaking the following tests as specified in the Annual Return for Local Councils in England:

- Checking that books of account have been properly kept throughout the year
- Checking a sample of payments to ensure that the Council's financial regulations have been met, payments are supported by invoices, expenditure is approved, and VAT is correctly accounted for
- Reviewing the Council's risk assessment and ensuring that adequate arrangements are in place to manage all identified risks
- Verifying that the annual precept request is the result of a proper budgetary process; that budget progress has been regularly monitored and that the council's reserves are appropriate
- Checking income records to ensure that the correct price has been charged, income has been received, recorded and promptly banked and VAT is correctly accounted for
- Reviewing petty cash records to ensure payments are supported by receipts, expenditure is approved and VAT is correctly accounted for
- Checking that salaries to employees have been paid in accordance with Council approvals and that PAYE and NI requirements have been properly applied
- Checking the accuracy of the asset and investments registers
- Testing the accuracy and timeliness of periodic and year-end bank account reconciliation(s)
- Yearend testing on the accuracy and completeness of the financial statements

The interim internal audit provide evidence to support the annual internal audit conclusion on the AGAR Annual Return for local councils.

Conclusion

On the basis of the internal audit work carried out, which was limited to the tests indicated above, in our view the council's system of internal controls is in place, adequate for the purpose intended and effective, subject to the recommendations reported in the action plan.

As part of the internal audit work for the next financial year we will follow up all recommendations included in the action plan.

The clerk reported that the action plan had three issues which were as follows;

Issue 1. The accounting spreadsheet contains a section for analysis of reserves. This indicates that £169k of reserves of earmarked leaving a contingency general reserve of £10k which is approximately 6.7% of the precept. Sector guidance is that general reserves should be between 25% and 100% of the precept. It was recommended that the Parish council should review the level of reserves as the currently stated level of general reserves is substantially below the minimum levels recommended in sector guidance.

This will be addressed under agenda item 6.

Issue 2. The risk assessment does not cover financial and corporate risks. The recommendation was that the risk assessment should be expanded to cover financial and corporate risks.

This will be addressed under agenda item 7.

Issue 3. In March 2020 the £500 limit per the Financial Regulations for the debit card was exceeded. The recommendation was that expenditure on the debit card should remain within the limits authorised by the Financial Regulations

The clerk had notified the Parish Council when this occurred, and it was reported in the minutes of the extra-ordinary meeting on the 20th March 2020. It has been already discussed and agreed at the Parish Council meeting on Tuesday 19th May to amend the limit in the Financial Regulations to rectify this issue.

Recommended that;

The report from the internal auditor was accepted by the Parish Council.

The clerk reported the following variances on income and expenditure for 2019/2020 compared with the previous year 2018/2019.

- The annual precept has increased by 14.62%
- The amount of receipts (income) had decreased by 57.03%
- Staff costs had increased by 27.98%
- Payments had decreased by 23.55%
- The amount of cash held (reserves) had increased by 9.10%
- Fixed assets had increased by 3.56%.

The clerk reported that the amount of income had decreased due to the Wren grant, £50,000 and National Lottery grant that was received in 2018/2019.

Staff costs have increased due to the increase of additional hours for the assistant clerk, Parish Ranger and Booking Secretary/Cleaner along with pay rises.

Payments had decreased compared with 2018/2019 as the Wren grant and the payments for the BT phone box grant were undertaken in this financial year.

It was;

Recommended that;

The Parish Council would approve the Annual Return at the Parish Council meeting in June and then the clerk would send the completed forms to the external auditor.

6. Reserves

The clerk reported that the reserves had been earmarked as follows;

Bank Balance as at 31.03.20	179087.21
Ear-Marked Reserves for 2020/2021	
Final quarter for 2019/2020 PSCO bill	5000
Elections (ER)	4000.00
Parish Hall (ER)	50000.00
Youth Work (ER)	10000.00
Parish Ranger Van Replacment (ER)	15000.00
Environmental Improvement Schemes (ER)	15000.00
Community Scheme/ consultant costs for PDO (ER)	50000.00
South Warrington Library, Stockton Heath (ER)	20000.00
Contingencies (ER)	10000.00
Total	179000.00

Precept for 2020/2021 is £150,995.00. As such 50% of precept would be £75,000.

Recommended that;

The reserves were amended to the following;

Bank Balance as at 31.03.20	179087.21
Ear-Marked Reserves for 2020/2021	
Elections (ER)	4000
Parish Hall (ER)	50000
Youth Work (ER)	0
Parish Ranger Van Replacment (ER)	2000
Environmental Improvement Schemes (ER)	8000
Community Scheme/ consultant costs for PDO (ER)	25000
South Warrington Library, Stockton Heath (ER)	15000
Contingencies (ER)	75,000
Total	179000

7. Risk Assessments

The clerk had updated the Risk Assessment to include financial and corporate risks and had added further risk assessments in order to make it more comprehensive. It was;

Recommended that;

The amended Risk Assessment was adopted by the Parish Council.

8. Parish Council insurance

It was;

RESOLVED that;

The clerk was requested to try and submit a claim to the Parish Council's insurance company for loss of income due to the Parish Hall closure from 23rd March 2020.

9. Breakdown of Grant budget

Councillor J Wheeler asked for a breakdown of the grant budget. The clerk confirmed that the grant budget for 2020/2021 was £6,000 and the amount spent so far the period 1st April 2020 to 1st May 2020 was £3,100. The Parish Council had donated £1,000 to Warrington Foodbank, £200 to Appleton Cross Church for a grant application for the flagpole and £1,900 to LiveWire for the hire of the football pitches. Councillor P Walker reported that the grant budget may need reviewing dependent upon expenditure.

Concern was raised with regards to ongoing commitments year after year. The BYP had applied for a grant for £2,000 per year for a Youth Worker and every year Lumb Broom Millennium Green had a sustainable grant every year. There were also concerns regarding the loss of income for the Parish Council due to the closure of the Parish Hall. Every grant application would need to be considered on its merits and other sources of funding for applications will need to be explored.

It was;

Recommended that;

The grant policy was not to be altered at this time and this would not be required as an agenda item for the Parish Council meeting. The grant budget would need to be closely monitored in the future.

10. Donation to Brampton Lodge Care Home

Councillor J Wheeler had written to Brampton Lodge Care Home in her capacity as Borough Ward Councillor to thank them for work during this Covid-19 period. The care home was run by a private organisation and Councillor J Wheeler wished to use the Chairman's allowance to purchase a thank you gift for the staff.

It was;

RESOLVED that;

A gift for Brampton Lodge could be purchased and for the expenditure to be taken from Chairman's allowance.

11. Virtual meetings

The Parish Council had been using the 40-minute free zoom version for virtual meetings. The full zoom package was £11.99 per month. Other virtual meeting packages were free such as Microsoft Teams and the clerk had researched the cost of other packages such as Ciso WebEx, Google Meet and GoToMeeting all of which had various costs.

It was;

RESOLVED that;

The Parish Council was to purchase the zoom package at £11.99 per month. The clerk confirmed that this would have to be taken via the clerk's Parish Council debit card as payment each month.

12. Replacement Locks for the Parish Hall

The assistant clerk had been researching the cost of replacement locks however this had been difficult due to the Covid-19 lockdown as many businesses were closed.

The assistant clerk had obtained quotes for two digital locks and the cost of this was £180.00, however there were issues with this as every week the code would need to be changed. Lymm Parish Council used a swipe card system for their Parish Hall and the cost of this would be approximately £1,200. Further options would be explored and this would be put as an agenda item for the Finance and General Purposes Committee meeting in July.

Councillor J Wheeler asked if replacement glass for the office could be put as an agenda item for the Finance and General Purposes Committee meeting in July.

13. Purchase of Thank you cards

Councillor J Wheeler wished to send thank you cards to various community groups for their work during Covid-19.

It was;

RESOLVED that;

Up to £50 could be spent for thank you cards with the expenditure to be taken from the Chairman's allowance.

14. Financial Regulations

It was;

RESOLVED that;

No alterations to the Financial Regulations were necessary. If expenditure was to be approved under any delegated powers as detailed in the Financial Regulations the clerk/assistant clerk would need confirmation in writing from all the Parish Councillors concerned detailing the authorisation in order to go ahead with any purchase.