

OTTERBOURNE PARISH COUNCIL
Minutes of the Meeting of the Finance Committee 07 February 2011
John and Betty Mobbs Room, at 7.30 pm

1936

Present: Cllr Kelly (Chairman); Cllr Jones; Cllr Oldham, Cllr Hudson, Cllr Acton, Clerk
Apologies for absence: None

Documents presented at the Meeting:

Minutes of Meeting 08 March 2010; draft NALC Model Financial Regulations; OPC Financial Standing Orders; OPC Statement of Accounts 7 February 2010; OPC Assets Register; Aviva Insurance Schedule; OPC Statement of Reserves 2010 and 2011; Governance and Accountability in Local Councils in England and Wales – A Practitioners’ Guide Risk Management Tables 1-3; OPC Risk Identification and Internal Controls Document; Governance and Accountability in Local Councils in England and Wales – A Practitioners’ Guide: Appx 9 Plan and Internal Audit Review Checklist; Internal Auditor’s Report 27 April 2010; Annual Return Section 2 Annual Governance Statement.

1. Financial Regulations and Financial Standing Orders

To review financial regulations and financial standing orders.

Councillors had received a draft copy of the proposed Financial Regulations, which were based on the NALC Model Financial Regulations, and a copy of the current Financial Standing Orders.

Typographical errors to be corrected plus it was agreed as follows:

- 2.3 the Council shall review the budget not later than the end of November each year
- 2.5 a three year forecast was broadly considered and the matter would be kept under review
- 3.4 the Clerk may incur expenditure in extreme urgency to a limit of £250
- 4.4 an adequate and effective system of internal audit was undertaken by the Internal Auditor
- 6.5 the RFO may maintain a cash float to maximum £100
- 6.6 all payments would continue to be settled by cheque until further instruction from HALC
- 11.1i) to insert after where the value is below £500 the Clerk or RFO shall strive to obtain three estimates *save where there is a degree of urgency in which case the value may be increased to £750.*

Also to insert current Financial Standing Orders in full to create a single Financial Regulations document.

The Otterbourne Parish Council Financial Regulations were approved by the Finance Committee with recommendation for adoption by Council. A copy of the Financial Regulations would be placed on the website. New Councillors would be instructed to read them on the website or in paper copy supplied by the Clerk.

Action: Clerk /Full Council approval on 15 March 2011

2. Banking policy

To review banking policy and investments.

Councillors had received a Statement of Accounts dated 7 February 2011.

Co-operative current account: It was agreed to close this after the purchase of Oakwood Park Recreation Ground had been concluded. I

Lloyds TSB Guaranteed Investment Account: It was agreed to remain on a 3 month investment, but to review during the year.

3. Asset Register and Insurance

To review cover including Fidelity Guarantee and Public Liability.

Councillors had received a copy of the Assets Register.

Bill Harris Pavilion: The rebuild costs had been checked on the BCIS website at £171,000. It was agreed to retain the current insurance level at £194,167.43.

Other Assets: benches were listed under both Street Furniture and Children's Play Area Equipment. The Clerk would check numbers and seek advice from the insurance company.

The PFI street lighting agreement would be checked to determine if insurance was still required.

Register of Uninsured Assets: It was agreed to start a new register for assets under the £250 policy excess eg litter, dog and grit bins, signs.

Fidelity Guarantee: It was agreed that £100,000 was sufficient to cover requirements.

Public and Employer's Liability: it was agreed this was sufficient at £10 million for each.

Action: Clerk

4. Reserves

To review reserve funds and allocation.

Councillors had received a Statement of Reserves for 2010; a Statement of Reserves and Proposals for 2011 and a Schedule of Asset Replacement Costs v Set Aside/annum.

It was agreed to recommend the following to Council:

Reserves set aside and allocated in 2010:

Emergency Contingencies: £8,500 unallocated 1/3 Precept to be c/f to 2011

Clerk's Gratuity Fund: £1,776 for 6 years to be c/f to 2011

Oakwood Park Recreation Ground: freehold purchase £20,000+£2,000 legal fees c/f to 2011

Oakwood Avenue bus stop planting: (not actioned) £50 to be c/f to 2011

Oakwood Avenue bus shelter lighting: (not actioned) £1,000 reallocated to the 2012 Jubilee fund

Community Bus outings: (not actioned) £70 to be c/f to 2011

Reserves available for further allocation in 2011:

Elderfield Cricket Project: LHT legal fees £4,000 and Permissive Path £4,000

Oakwood Park Recreation Ground and Village Hall Signs: £500

War Memorial refurbishment of protective area: £1,000

Additional Picnic Tables at Oakwood Park Recreation Ground: £2,500

Play/Recreation Provision: £2,500 plus additional £950 from WCC Open Space Fund

Set Aside for Replacement of Assets: £9,500 constituting approximately 1 year's provision

Total allocation of reserves for 2011: £24,000

Action: Clerk/Full Council approval on 15 March 2011

5. Assessment of risks and internal control systems

To review the risks facing the Council and review the effectiveness of the internal controls in managing the risks.

Councillors had received the Governance and Accountability Guide Risk Management Tables 1-3 and Otterbourne Parish Council's Risk Assessment and Internal Control Systems document.

The risks identified were assessed. It was agreed OPC's systems of internal control were comprehensive and effective in management of the risks. There were no new risks identified, but the following points were noted for amendment to the document:

Proper, timely and accurate reporting of council business: not monthly, but according to Meetings.

Proper document control: back-up was now by BT not on disc

Action: Clerk

6. Internal Audit

To assess the internal audit procedure and review its effectiveness

Councillors had received a copy of the Internal Auditor's Report 2010, the Governance and Accountability Guide Audit Plan from Appx 9, and the Internal Audit Review Checklist Part 1 and 2.

The Scope of the internal audit plan as defined by Appx 9 and as used by John Murray was agreed as comprehensive and meeting the needs of the Council. The auditor's report gave worthwhile feedback and items noted in the 2010 report had been addressed. The Internal Audit Review Checklist for year ended 31 March 2010 was considered regarding follow up of comments. All items had been addressed except the Committee development which was in hand. The Internal Audit Review Checklist for year ended 31 March 2011 was considered in draft form and comments agreed to include the Internal Auditor was approved by HALC and known to work for other local Parish Councils. The internal audit was found to add value by ensuring the Council was aware of risks and the need to address them. It ensured the Council had maintained sound systems of internal control to manage the risks. It noted areas for requirement for the forthcoming year. Overall it was effective in providing reliable assurance that the Council/RFO operated within proper guidelines. It was agreed to recommend approval to full Council.

Action: Finance Committee to recommend to full Council for approval

7. External Audit – Annual Governance Statement

To consider Statements 1-9 on the Annual Return to meet requirements for External Audit.

Councillors had received a copy of the Annual Return Section 2.

Councillors assessed and affirmed Statements 2 – 9 with regard meeting responsibilities for the 2010/11 audit. Statement 1: the end of year accounts would be assessed when presented. The Clerk had received advice from the Internal Auditor that Statement 9 was not applicable as the Council was Custodian (not Managing) Trustee of the Village Hall.

Action: Finance Committee to recommend to full Council for approval

8. Any other business

The only matter raised was as previously dealt with under Item 6 regarding the development of Committee structure and responsibilities which was noted as in hand.

Action: Chairman/Clerk

Meeting closed 9.45 pm.