

**Finance & Governance Committee – Minutes
Meeting Held on 4 July 2016 - Unconfirmed**

PRESENT: D Colville (Chairman), Cllr J Humphries-Davies and Cllr S Webster

IN ATTENDANCE: Michaela Frost (Clerk) and Judith Bowron (RFO).

No members of the public were present

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1. **APOLOGIES FOR ABSENCE** – None.
 2. **DECLARATIONS OF INTEREST** – None.
 3. **MINUTES OF THE PREVIOUS MEETING HELD ON 11 January 2016** – APPROVED.
 4. **MATTERS ARISING** – It was noted that all funds currently held in the Youth Fund Special reserve had been transferred to the Play Area Equipment Special reserve.
 5. **PUBLIC QUESTIONS** – There were no members of the public present.
 6. **RISK CONTROL AND DOCUMENTATION** – The Committee considered the Risk Control and Documentation Document which had been previously circulated - Following some debate the document was slightly updated and an updated document is attached to these Minutes as an appendix. The following actions were also agreed:-
 - 6.1 The Clerk to assess the Public Liability and Employer’s Liability Insurance documents; and
 - 6.2 The Clerk to make sure all Register of Interests are up to date and on the website; and
 - 6.3 The Clerk to update and amend the Council’s Freedom of Information Policy; and
 - 6.4 The Clerk to draft a Scheme of Delegation;

RESOLVED :

The Risk Control and Documentation attached as an appendix to these Minutes was AGREED.

7. **GOVERNANCE MATTERS** - The Clerk would update the Council’s Standing Orders and Freedom of Information Notice using the model publication scheme. The Clerk would also review and update the Council’s delegated powers and draft a delegation scheme. Once these documents had been agreed by the full Council these documents would need to be available on the Council’s website. The Clerk would work towards the website displaying all the correct and relevant documentation as per the recommendations from SALC. Updating and gathering all this information would assist the Clerk in developing her portfolio for the CiLCA programme.

RESOLVED

The Clerk would draft and update the documents mentioned above and would submit to a future Finance and Governance Meeting for consideration before approval by the Full Council.

8. **RESERVES** – The RFO updated the Committee about reserves. The Queen’s birthday celebrations had returned a profit so the £2,000 underwritten by the full Council could be placed back in reserves. The profit from the birthday celebrations would be placed in the reserve for the play area. The Committee also discussed how the Council would pay for the expert consultant who had been instructed to undertake an independent review of the Neighbourhood Plan submissions. The Clerk would try and apply for a further grant from Groundworks to help pay for this unaccounted

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cost. It was noted that there were still some available funds in the Neighbourhood Plan reserves. Some of the Committee also suggested that Mid Sussex District Council may have some grant money available to pay for the consultant costs. The Clerk would make an initial enquiry about this.

9. **CLERKS AND RFO'S TIME IN EXCESS OF CONTRACTED TIME** – It was noted that the Clerk could authorise any overtime payment on behalf of the RFO. The Committee also noted that it had been previously agreed by the Parish Council that the Chairman of the Council could authorise overtime which would then need to be confirmed at the next available Parish Council meeting.

RESOLVED

To note that the Chairman can authorise overtime payments to the Clerk and that these need to be agreed by the Full Parish Council on a monthly basis.

10. **BUSINESS PLAN** - The Finance & Governance Committee were responsible for formulating the Council's Business Plan/ Village Plan. Trevor Leggo of SALC was giving a presentation on 12 September about how to start this process. The Village Plan would be a vision of what the Council and its residents would like to achieve in the future. For example, the possible renovation of the playground would be an area which should be in the Village Plan.

RESOLVED

- 10.1 The Finance and Governance Committee would be responsible for drafting the Council's Village Plan before agreement by the Full Council. The Visioning Exercise on 12 September would assist with the drafting of this document; and
- 10.2 As part of the Village Plan and the renovation of the play area, it was AGREED to request that the Full Parish Council should agree that a work group would be established with Cllr Sarah Webster as a Member and a further volunteer from the Council to develop this area of work further.

11. **GRANT APPLICATION TO COVER EXTERNAL REVIEW - NP** - The Clerk was applying for a grant from Groundworks.
12. **PARISH COUNCIL ACCOUNTING PACKAGE** – The RFO would look into the accounting package supplied by the Interim Clerk and would report back to a future meeting of the Finance & Governance meeting about its suitability.
13. **PARISH COUNCIL WEBSITE** – The Committee discussed the suitability of the Council's website. It was AGREED that the Clerk would look into the Council's requirements and how suitable the current website was.
14. **BACKUP OF LAPTOP INFORMATION** – The RFO reported that she already backed up the laptop to an internal storage system. The Clerk would look into how other Parish Councils back up their information on external storage systems and report back to a future Committee.
15. **LIST OF TRUSTEES AND CHARITIES** – The Clerk would make the necessary updates.
16. **ELECTRICITY CONTRACT** – The RFO would ascertain whether a more cost effective contract could be sought. This might involve a three year contract with a fixed rate and would need full Parish Council Approval, It was AGREED that approval for the RFO to undertake this work should be sought at the next Parish Council meeting on 12 July 2016.
17. **2017-18 ALLOTMENT RENTS AND RENEWAL PROCEDURES** – The RFO reported that these had not been updated for several years. It was AGREED to increase the allotment rent from £5 to £10. The RFO would write to the allotment owners informing them of the increase.

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18. **FINANCIAL REGS** - The Internal Auditor's comments were noted.
19. **BANK ACCOUNTS** – The Internal Auditor's comments were noted.
20. **CHARITY TRUSTEES AND PROCEDURES** – The Internal Auditor's comments were noted.
21. **DATE OF NEXT MEETING** - The following meeting dates were agreed:-

3 October 2016 at 7:30 pm
5 December 2016 at 7:30 pm.

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APPENDIX

| Subject | Risk(s) Identified | P | I | Management of Risk | Review/Revise/Assess | Action By |
|------------------------|--|-----|-----|--|--|-----------|
| Precept | <ul style="list-style-type: none"> ▪ Adequacy of precept ▪ Not submitted ▪ Not paid by District Council | L | H | <ul style="list-style-type: none"> ▪ The Parish Council regularly receives budget update information, and projects income & expenditure for the following year, the net total of which is resolved to be the precept amount. ▪ This figure is submitted by the Clerk or RFO following agreement of the precept at full council. ▪ The Clerk informs Council when the monies are received. | Existing procedures adequate. | |
| Grants – Receivable | <ul style="list-style-type: none"> ▪ Claims procedure ▪ Receipt of grant when due | n/a | n/a | <ul style="list-style-type: none"> ▪ Clerk checks grants available for projects considered, as and when required. ▪ Checked and reported to Parish Council | Existing procedures adequate. N/A at the moment | |

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|------------------|---|---|---|--|---|-----------|
| Bank and banking | <ul style="list-style-type: none"> ▪ Inadequate checks ▪ Bank mistakes ▪ Loss ▪ Charges | M | L | <ul style="list-style-type: none"> ▪ The Council has Financial Regulations which set out the requirements for banking, cheques and reconciliation of accounts. ▪ Cheques require two signatures. ▪ Electronic payments require two signatories in total and all but very urgent payments are pre-authorised ▪ The banks accounts are reconciled monthly by the RFO and any errors made by the bank would be picked up. Cash flow is monitored by the Clerk monthly and by RFO when completing the reconciliations. Funds are transferred from the current account to the savings account and <i>vice versa</i> as appropriate. | Financial Regulations reviewed annually. Bank signatory list reviewed regularly, especially after an election. Bank statements checked monthly. | |

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|---------------------------|---|---|---|--|--|-----------|
| Salaries and assoc. costs | <ul style="list-style-type: none"> ▪ Wrong salary paid ▪ Wrong hours paid ▪ Wrong deductions of NI or Tax ▪ Unpaid Tax & NI contributions to the Inland Revenue | L | L | <ul style="list-style-type: none"> ▪ The Parish Council authorises the appointment of all employees. Salary rates are assessed annually and applied from 1st April each year. ▪ Overtime by the Clerk is authorised by the Chairman and that for the RFO by the Clerk. ▪ Salary slips are produced by the RFO together with a schedule of payments to the Inland Revenue (for Tax and NI). ▪ The Tax and NI is worked out using the HMRC's Basic PAYE RTI system and payment data is submitted monthly to HMRC once the payroll has been run. ▪ All Tax and NI payments are submitted to the Inland Revenue quarterly when payroll is run. ▪ The Clerk and RFO each have a contract of employment and job description. ▪ The Independent Auditor pays particular attention to payroll transactions and checks that any variations in pay have been approved by the Council. | Existing appointment and payment system is adequate. | |
| Employer's Annual Return | <ul style="list-style-type: none"> ▪ Submit within time limits | L | L | <ul style="list-style-type: none"> ▪ The Finance Officer completes the Employer's Annual Return online and submits to the Inland Revenue as soon as the final payroll of the year has been run. . | Existing procedure adequate. | |

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| Direct Costs / Overhead Expenses | <ul style="list-style-type: none"> ▪ Goods not supplied ▪ Invoice incorrectly calculated ▪ Cheque payable is excessive ▪ Cheque payable to wrong party | L L L | L M M | <ul style="list-style-type: none"> ▪ Clerk and RFO operate a purchase order system for one-off purchases. ▪ The Clerk approves all invoices for payment before passing them to the RFO. ▪ The RFO checks arithmetic and sets up the payment, be it by cheque or by online banking. Councillors check invoices and initial them before signing cheques and initialling cheque stubs ▪ <i>Online payments are pre-authorized, and initialled, at the monthly PC meetings and two persons (signatories) are required to process and authorise each payment. – RFO to reword</i> | Existing procedure adequate. This is a new area and the system may have to be modified in due course | To be reviewed 2015 and Clerk/RFO/Finance Committee to recommend adjustments to full PC |
| Cllrs Expenses | <ul style="list-style-type: none"> ▪ Cllr overpaid | L | L | <ul style="list-style-type: none"> ▪ Claim approved by Council, or in some cases by the TGR committee, in advance ▪ Claim form checked and verified by Clerk before being passed to the RFO for payment | Existing procedure adequate. | |
| Election Costs | <ul style="list-style-type: none"> ▪ Risk of cost from an election | L | M | <ul style="list-style-type: none"> ▪ When an election is due the Clerk will obtain an estimate of costs from the District Council for a full election and an uncontested election. There are no measures which can be adopted to minimise the risk of having a contested election as this is a democratic process and should not be stifled. ▪ Clerk check and verify, and consider budget A reserve is maintained to cover any unpredictable costs | Existing procedure adequate. | |

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| VAT | <ul style="list-style-type: none"> ▪ VAT analysis ▪ Claimed within time | L | M | <ul style="list-style-type: none"> ▪ All items are listed in the cash book and verified by the RFO. ▪ Returns are verified and submitted quarterly by the RFO. | Existing procedure adequate. | |
| Best value accountability | <ul style="list-style-type: none"> ▪ Work awarded incorrectly ▪ Overspend on services | L | L | <ul style="list-style-type: none"> ▪ The Council has Financial Regulations which set out the requirements. Normal Parish Council practice is to seek three quotations for any substantial work required to be undertaken or goods. If a problem is encountered with a contract the Clerk would investigate the situation, check the quotation, research the problem and report to Council. | Existing procedure adequate. | |
| Reporting and auditing | <ul style="list-style-type: none"> ▪ Information ▪ Communication ▪ Compliance | L | L | <ul style="list-style-type: none"> ▪ A monitoring statement is produced regularly at each Council meeting which is distributed, discussed and approved. ▪ Finance committee member audit quarterly and full internal audit annually, with a six-month review meeting in the interim period. | Existing communication procedures adequate. Annual Internal audit is reported to the full Council. | |
| Reserves: General & Earmarked | <ul style="list-style-type: none"> ▪ Adequacy | L | L | <ul style="list-style-type: none"> ▪ Considered at budget setting and with year-end accounts. ▪ General reserves maintained at approximately 50% of precept in line with PC Reserves Policy | Existing procedure adequate. Policy to be reviewed annually by full PC. | RFO |
| Assets | <ul style="list-style-type: none"> ▪ Loss, damage etc. ▪ Risk or damage to third party property or individuals | M L | M M | <ul style="list-style-type: none"> ▪ Asset register and insurance updated annually. ▪ Periodic inspections carried out. (TGR Cttee) ▪ Annual review of Public Liability Insurance. (F & G Cttee) | Existing procedures adequate | |

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| Insurance | <ul style="list-style-type: none"> ▪ Adequacy ▪ Cost ▪ Compliance | L | L | <ul style="list-style-type: none"> ▪ An annual review, to ensure the cover is adequate but not excessive is undertaken (before policy renewal) of all insurance arrangements. ▪ A three year agreement has been entered into to keep costs as low as possible. ▪ Employers and Public Liability Insurance is a necessity. ▪ Ensure compliance measures are in place. | Existing procedure adequate. Review compliance. | F&G Cttee |
| Maintenance | Poor performance of assets or amenities | L | M | <ul style="list-style-type: none"> ▪ A minimum of quarterly maintenance inspections are made by members of the TGR Committee of notice boards toilets, pavilion, bus shelter and the Memorial pavilion. | Existing procedures are adequate and resulting identified work undertaken. | TGR Cttee |
| Employees | <ul style="list-style-type: none"> ▪ Absence of key personnel ▪ Fraud by staff | M L | H L | <ul style="list-style-type: none"> ▪ As good practice, the Council should ensure Employee Guidelines are followed/reviewed. ▪ The Clerk and RFO should have opportunity for training, reference materials, and access to assistance and legal advice required to undertake the role. ▪ Insurance includes cover to provide temporary replacement of key personnel | Existing procedures adequate. Purchase updated materials as required Maintain membership of SSLC/SALC Provide relevant training. Monitor working conditions and safety requirements regularly. | F & G Cttee |
| Borrowing / Lending | <ul style="list-style-type: none"> ▪ Adequacy of finances to be able to repay loans | n/a | n/a | <ul style="list-style-type: none"> ▪ Financial review and cash flow forecasting monthly. | N/A – no current borrowing. | |
| Legal Powers | <ul style="list-style-type: none"> ▪ Illegal activity or payments | L | L | <ul style="list-style-type: none"> ▪ All activity and payments within the powers of the Parish Council to be resolved and minuted at Full Parish Council Meetings, including a reference to the power used. | Minuted. | |

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| Financial Records | <ul style="list-style-type: none"> ▪ Inadequate records ▪ Financial irregularities | L | M | <ul style="list-style-type: none"> ▪ The Council has Financial Regulations which set out all financial requirements. ▪ The Clerk / RFO update records weekly, or as appropriate. ▪ Annual internal audit and quarterly Finance Committee audits. | Review Financial Regulations annually. | Clerk/RFO to update regulations and put before the Council each year |
| Minutes / Agendas / Notices Statutory Documents | <ul style="list-style-type: none"> ▪ Accuracy and legality ▪ Business conduct | L | L | <ul style="list-style-type: none"> ▪ Minutes and agenda are produced by the Clerk and adhere to the legal requirements. ▪ Minutes are approved and signed at the next Council meeting. ▪ Minutes and agenda are displayed according to the legal requirements. ▪ Business conducted at Council meetings should be managed by the Chair. | Existing procedure adequate. | Clerk |
| Members Interests | <ul style="list-style-type: none"> ▪ Conflict of interest ▪ Register of Members interests not being up-to-date | L | L | <ul style="list-style-type: none"> ▪ The declaring of interests by members at a meeting should become a regular and obvious process. ▪ Register of Members Interest forms should be reviewed regularly. | Declaration of interests included on meeting agendas. Members take responsibility to check and update their Register and undertake training. | Clerk |
| Freedom of Information Act | Policy Provision | L | L | <ul style="list-style-type: none"> ▪ The Council has a model publication scheme in place. . ▪ The Clerk is aware that if a substantial request arrives then this may require many hours of additional work. The Council is able to request a fee if the work will take more than 15 hours but the applicant also has the right to resubmit the request broken down into sections. | Monitor and report any requests made under the Freedom of Information Act - ongoing. | Council policy to be reviewed as 15 hours = 6.25 man days and impacts considerably on PC budget / Clerk hours. |

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| Council records - paper | Loss through theft/fire/damage | M | H | <ul style="list-style-type: none"> ▪ The Parish Council records are stored in the PC Office. ▪ Records include historical correspondence, minute books and copies, deeds and leases, records such as personnel, insurance, salaries etc. ▪ Recent materials are stored in locked metal filing cabinets. Historic records are archived at County archive. | Most recent materials are also kept electronically. | |
| Council records - electronic | Loss through theft / fire / damage / computer corruption | M | H | <ul style="list-style-type: none"> ▪ The Parish Council's electronic records are stored on the PC's computer. ▪ Back-ups of changes to the files are taken automatically each workday with a full back-up at monthly intervals. | Back-ups to be kept off site where possible – Existing procedures to be reviewed | Chairman / Clerk / RFO |

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