



# **New Alresford Town Council**

**Alresford Recreation Centre, The Avenue, Alresford, Hants, SO24 9EP**

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**Minutes of the meeting of the Finance Committee held on Tuesday 31 July 2018 at Alresford Recreation Centre, The Avenue, Alresford, SO24 9EP, commencing at 7.30pm**

**Recommendation 1: That Cllr Spencer and the Locum Clerk work together to provide a draft ToR document, based on the Hazlemere Parish Council document, for referral to the next Finance Committee meeting.**

**Recommendation 2: That the Locum Clerk makes enquiries with WCC as to whether it would be possible to invest money with the City Council.**

**Recommendation 3: That the temporary accountant is consulted as to the current financial position and the amount to transfer between accounts is reviewed.**

**Recommendation 4: That the Financial Management & Risk Assessment document is reworded to read 'Budget preparation by Town Clerk/RFO and Finance Chair is to be considered by the Finance Committee, with all other Committees to produce a budget wish list annually in October. Approval of the final budget and precept request to be made by Full Council, for submission to WCC by the end of January each year'.**

**Recommendation 5: That the Financial Management & Risk Assessment document deletes reference to the ARC bar facility, but to review.**

**Recommendation 6: That the Financial Management & Risk Assessment document amends the Financial Records risk level to Medium and impact to High.**

**Recommendation 7: That Councillors' packs are checked to ensure that instructions regarding internet banking arrangements are updated.**

**Recommendation 8: That cashbook reconciliations, income & expenditure reports and bank statements, together with the list of accounts for payment, should be referred to Council meetings under separate agenda items.**

**Recommendation 9: That the Council's Internal Audit contract is reviewed every three years or before if required.**

**Recommendation 10:** That the new Deputy Town Clerk undertakes the input of purchase ledger invoices to help the new Town Clerk/RFO monitor accurate expenditure and that this is reviewed as part of the induction process for the new members of staff.

**Recommendation 11:** That the Financial Management & Risk Assessment document includes reference to Standing Orders, to ensure legal decision making, with the management of risk identified by reviewing annually or when legislation changes.

**Recommendation 12:** That the Financial Management & Risk Assessment document rewords the Receipts section to read 'Bookings & Receipts' and that enquiries are made to link the booking system to the RBS Omega sales ledger and the website.

**Recommendation 13:** That the new Town Clerk/RFO and Deputy Town Clerk undertake training in the year-end procedures, to ensure compliance with the Annual Return requirements.

**Recommendation 14:** That the budget item of the Financial Management & Risk Assessment document is linked to the setting of the precept and that the monthly income & expenditure reports include reference to the actual expenditure versus budget figures.

**Recommendation 15:** That the Locum Clerk researches the resolution made for new NATC employees' pension arrangements.

**Recommendation 16:** That Government Procurement Cards are provided for the Town Council staff.

**Recommendation 17:** That the cost of suitable models of projector for use at Council meetings be researched.

**Recommendation 18:** That the terms of the existing insurance policy are researched to avoid duplication of cover for cyber security.

**Present:** Cllr Gordon-Smith in the Chair, Cllrs B Jeffs and Spencer. Also present: Cllr Deeming, two members of the public and Mrs Sue Hobbs Locum Clerk.

**1. TO RECEIVE APOLOGIES FOR ABSENCE.** Apologies were received from Cllr Evans due to work commitments and Cllr Power who was attending another meeting.

**2. MATTERS ARISING FROM MINUTES OF PREVIOUS MEETING HELD ON 12 JUNE 2018.**

(5) Borehole – this had been referred to the Recreation & Environment Committee for further discussion.

(10) Internal Auditor – Eleanor Greene had confirmed her acceptance of the renewal of her contract for 2018 – 2019 and would arrange dates to visit shortly.

(11) General Data Protection Regulations (GDPR) Audit – the representative from the Society of Local Council Clerks (SLCC) had visited the Town Council office and the finalised report was expected to be received in time for referral to the Council meeting to be held on 18 September 2018.

**3. TO REVIEW TERMS OF REFERENCE FOR FINANCE COMMITTEE.** Cllr Deeming spoke briefly to remind the Finance Committee Members that the Good Councillor Guide, published by the National Association of Local Councils (NALC), provided comprehensive advice regarding the setting of the precept, allocation of reserves and transparency requirements for local councils. A soft copy of the updated Guide had been distributed to all Members in recent months. The Guide highlights the requirement for local council financial documents to be placed in the public domain. The NATC Complaints and Vexatious Complaints Policies were touched upon, which require responses to complaints within an eight-week timeframe. It was acknowledged that the Council website had not been operational for approximately three weeks and that temporary measures were in place to deal with the Council's routine financial matters, which had caused difficulties.

Copies of the Terms of Reference (ToR) for other local councils Finance Committees had been distributed prior to the meeting, one of which was obtained from Hazlemere Parish Council. A recommendation was received, seconded and voted in favour of Cllr Spencer and the Locum Clerk working together to provide a draft ToR document, based on the Hazlemere Parish Council document, for referral to the next Finance Committee meeting.

**4. TO REVIEW THE RESERVES AND INVESTMENT POLICY.** Examples of Reserves and Investments Policies had been provided prior to the meeting and the Locum Clerk had asked for Members to read the supporting Advice Notes received from SLCC prior to assessing these Policies. This was due to changes in the Financial Services Compensation Scheme (FSCS) including local councils as qualifying for compensation up to £75,000.00. It was suggested that it may be possible to make a deposit with WCC, which may provide secure investment for NATC. A recommendation was received, seconded and voted in favour of the Locum Clerk making enquiries with WCC as to whether it would be possible to invest money with the City Council.

**5. TO REVIEW FINANCIAL MANAGEMENT & RISK MANAGEMENT 2018 – 2019.** Cllr Gordon-Smith itemised the Financial Management & Risk Management document for ease of reference.

(i) Business continuity – it was envisaged that the appointment of a new Town Clerk/Responsible Financial Officer (RFO) and Deputy Town Clerk would help mitigate the impact of any long-term absence of a key officer.

- (ii) Insurance cover – this had been reviewed by the Council in June 2018 and was felt to be adequate for the Council’s needs.
- (iii) Precept – a recommendation was received, seconded and voted in favour of rewording the management/control of risk to be re-worded to read ‘Budget preparation by Town Clerk/RFO and Finance Chair to be considered by the Finance Committee, with all other Committees to produce a budget wish list annually in October. Approval of the final budget and precept request to be made by Full Council, for submission to WCC by the end of January each year’.
- (iv) Income stream – a recommendation was received, seconded and voted in favour of delete reference to the ARC bar facility, but to review.
- (v) Financial records - a recommendation was received, seconded and voted in favour of amending the risk level to Medium and impact to High. It was noted that the Fidelity Guarantee element of the Council’s insurance policy was in place and that the mid-year changeover from the Sage to the RBS Omega system had been problematic.
- (vi) Banking – it was noted that three Councillors independently approve bank and financial movements and a recommendation was received, seconded and voted in favour of Councillors’ packs being checked to ensure that instructions regarding internet banking arrangements were updated.
- (vii) Cash – the amount of cash held was limited to £50.00 and payments were usually made either by bank transfer or cheque.
- (viii) Reporting – it was noted that cashbook reconciliations, income & expenditure reports and bank statements, together with the list of accounts for payment, should be referred to Council meetings under separate agenda items.
- (ix) Audit – a recommendation was received, seconded and voted in favour of reviewing the Council’s Internal Audit contract every three years or before if required.
- (x) Payments – a recommendation was received, seconded and voted in favour of the new Deputy Town Clerk undertaking the input of purchase ledger invoices to help the new Town Clerk/RFO monitor accurate expenditure and that this is reviewed as part of the induction process for the new members of staff.
- (xi) Standing Orders - a recommendation was received, seconded and voted in favour of including reference to Standing Orders, to ensure legal decision making, with the management of risk identified by reviewing annually or when legislation changes.

- (xii) Receipts - a recommendation was received, seconded and voted in favour of rewording the section to read 'Bookings & Receipts' and that enquiries are made to link the booking system to the RBS Omega sales ledger and the website.
- (xiii) Grants – this section was to be maintained and reviewed, however the Locum Clerk advised that this should be reviewed when the new staff are in place and are qualified in the use of the General Power of Competence (GPC) under the Localism Act 2011 and the Council has resolved to use the GPC after meeting the electoral criteria.
- (xiv) Salaries – these are processed by an external payroll provider, so no member of staff is responsible for the calculation of their own salary.
- (xv) Election costs – maintain and review.
- (xvi) VAT – to amend reference to Sage with Omega.
- (xvii) Legal costs – maintain.
- (xviii) Annual Return - a recommendation was received, seconded and voted in favour of the new Town Clerk/RFO and Deputy Town Clerk undertaking training in the year-end procedures, to ensure compliance with the Annual Return requirements.
- (xix) Computer records – maintain.
- (xx) Budget - a recommendation was received, seconded and voted in favour of linking this item to the setting of the precept and that the monthly income & expenditure reports include reference to the actual expenditure versus budget figures.
- (xxi) Buildings – the Facilities Working Party had been set up to deal with repairs.
- (xxii) Gaming machines – remove.
- (xxiii) Tenders – Financial Regulations had been reviewed and approved in May 2018.

**6. TO CONSIDER THE TRANSFER OF FUNDS FROM NATC'S CURRENT ACCOUNT TO DEPOSIT ACCOUNT.** At the previous Finance Committee meeting held on 12 June 2018, a suggestion had been received that a transfer of £100.00 would be prudent, however a query was raised whether the amount proposed was correct. A recommendation was received, seconded and voted in favour of consulting with the temporary accountant as to the current financial position and reviewing the amount to transfer between accounts.

**7. TO DISCUSS PENSION PROVISION FOR NEW EMPLOYEES.** It was noted that when the last member of NATC's staff leaves its employment, an exit payment to the Local

Government Pension Scheme (LGPS) would be required. It was suggested that new employees could be given the choice of enrolment to the National Employment Savings Trust (NEST) or the LGPS. A recommendation was received, seconded and voted in favour of the Locum Clerk researching the resolution made for new NATC employees' pension arrangements.

**8. TO RECEIVE LETTER FROM RESIDENT DATED 4 JULY 2018 FOLLOWING EXERCISING ELECTORS' RIGHTS TO VIEW YEAR-END ACCOUNTS.**

Cllr Gordon-Smith read from the resident's letter and it was noted that purchase ledger invoices would be made available for the resident to view. Whilst bank statements refer to the Council's staff salaries, these details could be redacted and copies of the statements could also be made public. The resident was welcome to make an appointment to view the documents requested at the Town Council offices.

*At 9.30pm, a proposal was received, seconded and voted in favour of suspending Standing Orders to allow the meeting to continue.*

**9. TO CONSIDER THE PROVISION OF A GOVERNMENT PROCUREMENT CARD FOR TOWN COUNCIL STAFF.**

It was noted that a Government Procurement Card would enable the Town Council staff to make purchases online, without the need for personal credit or debit cards to be used, which has VAT implications. Some retailers also offer a discount when the Card is used. NATC would need to agree the use categories and expenditure limit in addition to including the Card's use in the Risk Management document. The expenditure would be reported to Council meetings as part of the monthly accounts. A recommendation was received, seconded and voted in favour of providing a Government Procurement Card for the Town Council staff.

**10. TO CONSIDER THE PURCHASE OF A PROJECTOR FOR TOWN COUNCIL MEETINGS.**

A suggestion had been received that there may be cost benefits to purchasing a projector, to enable Council agenda and supporting documents at meetings, rather than printing paper copies which may be surplus to requirements. A recommendation was received, seconded and voted in favour of the cost of suitable models being researched.

**11. TO RECEIVE INFORMATION RE: CYBER RISK INSURANCE COVER.** The existing insurance cover for IT issues was discussed and a recommendation was received, seconded and voted in favour of researching the terms of the existing insurance policy to avoid duplication of cover for cyber security.

**12. DATE OF NEXT MEETING.** The date of the next meeting was agreed to be held on Tuesday 2 October 2018 at 7.30pm, after the Planning Committee meeting.

The meeting closed at 10.10pm.