

Tibberton Parish Council

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NOTICE OF FINANCE COMMITTEE MEETING

A meeting of Tibberton Parish Council's Finance Committee will be held on
Tuesday 4th April 2023, 6.30pm at Tibberton Parish Hall

The meeting is open to members of the public. Due to the reduced time for this meeting before the full council meeting starts at 7.30pm there is no opportunity for members of the public to ask questions.

Summons

Members of Tibberton Parish Council's Finance Committee are hereby summoned to attend this meeting at Tibberton Parish Hall for the purpose of transacting the business detailed on the following pages.

Signed: *G Lungley*
Gill Lungley, Support Officer / Acting Clerk

Date: 28th March 2023

AGENDA

1. **Chairman's welcome.**
2. **Apologies.** To receive apologies from absent members and record the reason for absence.
3. **Declarations of Interest**
Members are reminded that to ensure transparency and retain public confidence in the council's decisions they are required to –
 - a) Keep their Register of Interests form up to date
 - b) Declare any Disclosable Pecuniary Interests (DPI), any Other Registerable Interests (ORI) and any Non-Registerable Interest (NRI) relating to items on the agenda and the nature of those interests.
4. **To consider written requests from councillors seeking a dispensation.** Having declared an interest in any agenda item councillors may only stay in the meeting when that item is discussed if the council permits dispensation to a) stay, or b) stay and speak, or c) stay, speak and vote. Written requests for the granting of a dispensation must be made to the Clerk in advance of the meeting.
5. **To agree the minutes of the meeting held 02/03/2023** attached pp3-9 and [online](#).
6. **To note and comment on the updated budget comparison** (to follow)
7. **To complete the review of the Internal Controls policy** (pp10-12).
8. **To consider the insurance cover for the next twelve months and recommend for approval to full council meeting.**
9. **To respond to the questions raised by the Internal Auditor.**
10. **To receive feedback on the external audit for financial year 2021/22.**

11. To prepare a schedule of work for this committee.
12. Items for discussion at next meeting.
13. Date and time of next meeting.

**Finance Committee members:
Cllr Diana Nutting (Chairman), Cllr Michael Doolin,
Cllr Rob Grimer, Cllr Mike Leci**

TIBBERTON PARISH COUNCIL

MINUTES OF FINANCE COMMITTEE MEETING THURSDAY 2nd MARCH 2023, 6.30PM at TIBBERTON PARISH HALL

Committee Members present: Cllr Diana Nutting, Chairman
Cllr Michael Doolin, vice-Chairman
Cllr Mike Leci

Committee Members absent: Cllr Rob Grimer.

In attendance: Cllr Margaret Rowley,
Gill Lungley, Acting Clerk/Support Officer

1. Chairman's welcome.

The Chairman welcomed all to this meeting.

2. To receive and note apologies for absence.

Cllr Rob Grimer had sent apologies for absence.

3. Declarations of interest.

None

4. Written requests for dispensation.

No requests for dispensation had been received.

5. To agree minutes of the meeting held 02/02/2023.

The minutes of the committee meeting held 02/02/2023 were agreed a true record and signed by the Chairman.

6. To note and comment on the updated budget comparison.

See next page. Members noted the overspend relating to:

- Salaries: with reasons noted.
- Admin expenses: includes admin contractor's fees.
- Equipment includes for new laptop and admin tools.
- Costs relating to the new village hall.

The underspends were also noted and discussed:

- Audit: awaiting the external auditor to complete the annual return.
- Elections: a contingency figure in case of a by-election.
- Subscriptions: no additional subscriptions are expected.

It was noted a new battery is to be purchased for the VAS.

7. To review the council's management of risk via the Internal Controls Policy with Statement of Internal Controls and the Operational Risk Assessment as agreed at meeting held 02/02/2023.

The Operational Risk Assessment is at appendix A.

The Statement of Internal Controls is at appendix B, only half-completed due to time constraints. It will be completed at the next committee meeting.

BUDGET ANALYSIS		
	Budget 2022/23	Actual 2022/23 to 02/03/2023
RECEIPTS		
Precept	36,509.00	36,509.00
Council tax support grant	711.00	711.00
Community Infrastructure Levy (CIL)		
Lengthsman Scheme grant	1,849.20	2,148.75
Interest received		63.48
Miscellaneous		150.00
WCC divison member's grant		
From reserves		
Total	39,069.20	39,582.23
PAYMENTS		
Chairman's allowance	60.00	-
Public Works Loan Board repay	14,500.00	13,654.50
Audit	1,000.00	75.00
Bank Charges		314.88
Staffing, salary costs	7,200.00	14,698.35
Admin expenses	700.00	3,025.65
Lengthsman	1,849.20	1,275.00
Training, staff and councillors	250.00	-
Elections	2,000.00	50.00
Equipment	210.00	766.83
Insurance	3,500.00	2,114.39
Subscriptions	1,200.00	377.84
Hire of meeting room	-	-
Village Hall energy	-	2,840.99
Village Hall landlord obligations	3,100.00	-
Village Hall equipment	-	697.00
Village Hall contingencies	-	-
Professional services	1,000.00	2,650.00
VAS equipment and road safety	2,000.00	-
Grants and donations	350.00	600.00
Contingencies	100.00	-
s137	50.00	-
subtotal	39,069.20	43,140.43
VAT		878.37
Capital Expenditure from reserve		
Total	39,069.20	44,018.80

Future updates would include reference to Earmarked Reserves and CIL availability.

8. To agree the process of the monthly bookkeeping review.

The paperwork was circulated and explained. It was expected that the opening balance would match the closing balance shown on the previous year’s AGAR, but in this case it does not due to the way the current accounts have been put together ie by reference solely to the bank statements which do not account for unrepresented cheques. The bank reconciliation will be amended to show the same opening balance as the closing balance figure on last year’s AGAR.

The review would be circulated by email to members, along with copies of invoices to be reported back to the next meeting of this committee.

9. To receive an update on internal audit arrangement.

DKE Audit had provided references to the satisfaction of the committee. The Acting Clerk had discussed the process for the 2022/23 internal audit and would be meeting with DKE Audit on 15th March.

10. To consider post-election business continuity arrangements.

It is a possibility that if all current members either do not stand for election, or stand but are not re-elected, then there will be no authorised signatories to the bank accounts. It was therefore agreed to recommend to the next meeting of the parish council (04/04/2023) to resolve to allow current authorised signatories to continue to authorise payments at the bank following council approval of payments, until the new members are added to the bank mandate.

11. Items for discussion at next meeting.

To seek quotes for a sector-specific accounts package.

12. Date and time of next meeting.

The next meeting is to be held on 4th April 2023, 6.30pm.

This meeting ended at 7.25pm.

Signed as a true record:

..... Date.....
Chairman, Finance Committee

Appendix A

**TIBBERTON PARISH COUNCIL
OPERATIONAL RISK ASSESSMENT – Annual Check**

Date policy adopted by Finance Committee	02/03/2023
Date of review	02/03/2023
Date of next review	March 2024

Introduction

The parish council is required to comply with the law. The Accounts and Audit Regulations 2015, s3 refers to the requirement for the council to ensure that the financial and operational

management of the authority is effective and includes effective arrangements for the management of risk.

Tibberton Parish Council has an agreed policy for managing financial risk (Internal Controls) and has an agreed statement of internal controls. This document adds to the fore-mentioned documents to provide evidence of effective arrangements for managing operational risk.

On an annual basis, the Parish Council will review, assess and record:

1. The availability and performance of council members.	Are these documents in place?
This means that in addition to their legal duties which require each member to:	
o complete and sign a declaration of acceptance of office	Yes rear of minutes book.
o complete and sign their entry on the register of interests	Yes via website
o declare all relevant pecuniary and other interests as and when they arise.	Recorded in minutes
all council members will, where possible:	Do councillors do this?
* complete a full term of office.	✓ where possible
* Maintain a list of potential members in the event of a casual vacancy.	No
* Advise in good time their intention not to stand for re-election.	-
* Agree an annual timetable of council meetings at the annual council meeting.	✓
* Attend all meetings when summoned to attend	✓ where possible
* Give notice if unable to attend any meeting to which they have been summoned	✓ where possible
* Notify the clerk if they are to be away from home for more than one week	✓ where possible
* Regularly review their entry on the register of interests and amend if necessary	✓
* Attend relevant training courses including an induction course within six months of becoming a council member	tba
* Read key parish council documents (Code of Conduct, Standing Orders, Financial Regulations) at least once, know where to find them and review them at least annually	✓
* Prepare fully for each council meeting.	✓
* Support the Chairman's position and the decisions made in the democratic forum of the council meeting.	✓ie support the team-leader's role
1b. The Chairman is to be the public face of the parish council who speaks for, and represents, the council at parish community or other civic occasions and functions.	
2. The availability and performance of the Proper Officer (the Clerk/RFO).	
2a. This means that in addition to the legal duties which require the Clerk/RFO to:	Does this happen?
- prepare and sign the agenda for all council meetings.	Yes except for Extraordinary meetings called by the Chair.
- manage the council's financial affairs.	Yes
the Clerk will, where possible:	
➤ Possess or undertake training for, the Certificate in Local Council Administration	✓
➤ Comply with their job description.	✓
➤ Maintain a calendar for all policy reviews and a record of key procedures.	✓
➤ Agree in advance with the Staffing Committee their holiday dates.	✓
➤ Notify the council in advance of any significant absences.	✓
➤ Publish an out-of-office email response with alternative points of contact if absent for more than one week.	Will do
➤ Attend training courses as and when necessary.	✓
➤ Maintain a continuous professional development (CPD) record to achieve an annual minimum of 12 CPD points.	✓
➤ Give one months' notice when intending to leave the council.	✓
2b. The council will, where possible:	

➤ Follow the nationally endorsed (NALC/ SLCC) terms of employment.	✓
➤ Appoint staff members subsequent to interview and receipt of references and subject to compliance with the council's rules on equality of opportunity	✓
➤ Provide, maintain and keep up to date all necessary tools and equipment needed by the Clerk to comply with their job description including all necessary office, computer, storage and communication equipment and facilities	✓
➤ Advertise any vacancy in the office of clerk locally and via the county association	✓
3. Security, Freedom of Information, GDPR and other statutes.	
3a. The Clerk is expected to, where possible:	
❖ Maintain a system to facilitate easy access to council records.	✓
❖ Safeguard key documents against loss by theft or fire, and retain a copy of such documents stored in a different location, eg cloud storage.	✓
❖ Ensure regular back-up of electronic files and records.	✓
❖ Follow the council's Retention and Disposal Policy.	✓
❖ Ensure electronic records are safeguarded against virus and malware and provide evidence that appropriate anti-virus software is in use.	Windows defender
❖ Ensure only essential paper records are retained and that they are safely stored with a record kept of what they are and where to find them.	To review paper records.
❖ Maintain the council-specific email address: clerk@tibbertonparishcouncil.gov.uk	✓
❖ Ensure the council's email address is used only for council business.	✓
❖ Maintain the council's Asset Register for annual review by the council.	tba
❖ Present the annual insurance review which covers all known risks and all the council's assets, to the council for approval.	tba
❖ Ensure the council's administration tools are well maintained and securely stored.	✓
❖ Maintain a list of all passwords and usernames securely and not divulge them to anyone except insofar as to notify the Chairman how to access the list.	tba
❖ Follow the rules regarding data protection, confidentiality, libel and copyright.	✓
❖ Confirm with the website provider that they are working to ensure protection against hacking and viruses.	✓
❖ Work within the standards set by NALC for the Local Council Awards Scheme working to the Foundation level as a minimum.	✓
3b. The Parish Council is expected to annually review:	
❖ Standing Orders, Financial Regulations and Code of Conduct.	✓
❖ Key procedures guidance and policies, including this document	✓
❖ Its Complaints Policy, Grant Awarding Policy & Publication Scheme	✓
❖ The council's asset register and insurance cover	tba
4. Emergency and Contingency Plans	
This means the council will prepare for operational emergencies by:	
◆ Ensuring council members know how to access council documents.	tba
◆ The Clerk will maintain an emergency plan detailing key contacts.	tba

TIBBERTON PARISH COUNCIL INTERNAL CONTROLS POLICY – BI-ANNUAL CHECK

Date of presentation to Finance Committee	02/02/2023
Date adopted	02/02/2023
Date of first review	02/03/2023
Date of next review	September 2023

SCOPE OF RESPONSIBILITY

Tibberton Parish Council is responsible for ensuring its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

In discharging this overall responsibility, the council is also responsible for ensuring there is a sound system of internal control which facilitates the effective exercise of the council's functions, and which includes arrangements for the management of risk.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROLS

The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk. It cannot provide an absolute assurance of effectiveness. The system of control is based on an on-going process to identify the risks to achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and to manage them efficiently, effectively and economically.

THE INTERNAL CONTROL ENVIRONMENT

The Council...:	✓ or ✗ and/or comment
- Has appointed a Chairman who is responsible for the smooth running of meetings.	✓
- Meets at least four times each year, including an annual meeting in May.	✓
- Approves budgets for the following year at its December / January meeting from which the Council approves the level of precept for the following financial year.	✓
- Regularly monitors, through the Finance Committee, the actual expenditure against budget with a forecast for the end of the year, revised as necessary.	✓
- Appoints and reviews the work of the Internal Auditor.	✓
The Clerk to the Council/RFO...:	
- is responsible for administering the Council's finances.	✓
- is responsible for the day-to-day compliance with the law and regulations that the Council is subject to and for managing risks.	✓
- ensures that the Council's procedures, control systems and policies are adhered to.	✓
Payments: All payments are reported to each meeting of the Parish Council. Two members of the approved bank signatories must authorise every cheque after review of the accompanying invoice; payments made through the online banking system will be entered onto the system by the Clerk/RFO and then approved by any two of the authorised members having had sight of the accompanying invoices.	✓
Risk Assessments/ Risk Management: The council carries out a risk assessment in respect of actions and regularly reviews its systems and controls.	✓

The council annually reviews and agrees its:		✓
• Statement of Internal Controls (attached to this policy)		✓
• Operational Risk Assessment.		✓
Internal Audit: The council has appointed an Independent Internal Auditor who reports to the Council on the adequacy of its: Records / Procedures / Systems / Internal controls Regulations / Risk Management / Reviews		✓
The council has agreed Terms of Reference for Internal Audit (separate document).		✓
External Audit: The Council's External Auditors are appointed by the Smaller Authorities Audit Appointments Ltd (SAAA) and submit an annual Certificate of Audit, which is reported to the Council.		✓
REVIEW OF EFFECTIVENESS		
The Council is responsible for conducting an annual review of the effectiveness of the system of internal control. The review of the effectiveness of the system of internal control is informed by the work of:		
- The Full Council		✓
- The Finance Committee		✓
- The Clerk to the Council/RFO who has the responsibility for the development and maintenance of the internal control environment and managing risks.		✓
- The independent Internal Auditor who reviews the Council's system of internal control and completes the internal audit section of the Annual Governance & Accountability Return.		✓
- The External Auditor, who makes the final check using the Annual Return and issues an annual audit report (part 3 of the Annual Governance and Accountability Return).		✓
- The number of significant issues that are raised during the year.		✓
- Any concerns about the effectiveness of the system of internal control are investigated and action taken as appropriate.		✓
STATEMENT OF INTERNAL FINANCIAL CONTROLS, annual check		
Cash Book / Bank reconciliations		✓ or ✗ and/or comment
• The cash book is kept electronically (in spreadsheet format), maintained up to date from original documents (cash received, invoices, payments (s/o) made and cheques as they are prepared).	✓ Members aware of the limitations of using an excel spreadsheet and are to seek quotes for sector-specific software to offer more security.	
• The cash book is reconciled to the bank statement at least monthly.		✓
• Reconciled accounts are prepared in advance of each Council meeting.		✓
• The cash books, payments and receipts, and bank reconciliation is reviewed and approved by a member of the Parish Council nominated as internal control, regarding the underlying records (bank statements and minutes plus copies of accounts papers etc) at least biannually.		✓ To be done monthly.
• The bank reconciliation is reported to the Parish Council and minuted.		✓
• The latest financial position and movements on the Parish Council's cash balances are reported at each council meeting and can be traced back to the expenditure approved in the previous meeting via the minutes.		✓

The remaining items would be reviewed at the next committee meeting.

**TIBBERTON PARISH COUNCIL
INTERNAL CONTROLS POLICY – BI-ANNUAL CHECK**

Date of presentation to Finance Committee	02/02/2023
Date adopted	02/02/2023
Date of next review	September 2024

THE INTERNAL CONTROL ENVIRONMENT	✓ or ✗ and/or comment
Financial Regulations	
The Parish Council has adopted financial regulations, based on the model version prepared by NALC. The regulations are reviewed for continued relevance and amended where necessary by the RFO with any proposed amendments subject to approval by the Parish Council.	
Order/Tender controls	
<ul style="list-style-type: none"> • The Financial Regulations list the number of estimates, quotes or full tenders that must be invited depending on the value and nature of the work. • Official orders/letters are sent to suppliers for services which are not regular in nature. 	
Payment controls	
<ul style="list-style-type: none"> • Depending on the nature of the supply, the RFO signs the purchase invoice to indicate that the supply has been received, that the supply has not previously been paid and that the invoice calculations are correct. • Purchase orders/emails/letters ordering the work are matched to purchase invoices where applicable. • Payments will be listed in cheque or voucher number order in the cash book. • All invoices for payment are listed on the meeting agenda, or agenda appendix, where the payment is to be minuted. • Payments made are listed in the minutes of the meeting. • Original invoices are available to the Councillors signing the cheques. • Cheques will be signed by two councillors, who are authorised to sign as shown on the council's bank mandate. • The council has a BACS system in place. The RFO is authorised to set up BACS payments online but as the RFO is not an authorised signatory, cannot authorise payments. • Four members of the council are authorised to approve online bank payments. They cannot set up payments, only view and authorise them. • The RFO is authorised to transfer funds internally ie from one of the council's accounts to another, but not to make payments. • The RFO maintains control of the cheque book at all times, cheques will only be issued and signed for payments approved 	

in Council meetings. The RFO will prepare cheques but is not authorised to sign them.	
<ul style="list-style-type: none"> • Every payment is identified by a sequential voucher number. This number is used to identify the transaction in the payments cashbook, the invoice and cross referenced on the bank statement in ink. 	
<ul style="list-style-type: none"> • When invoices are paid by cheque, they are identified by the cheque number and referenced in the cashbook by the cheque number, as well as by the voucher number. This is cross checked with the bank statements. 	
<ul style="list-style-type: none"> • When invoices are paid by BACS, they are identified by the voucher number which is cross checked with the bank statements. 	
<ul style="list-style-type: none"> • The minute number of the minute authorising bank payments or cheques is detailed on each invoice. 	
Legal Powers	
A proper legal power is identified in advance of any expenditure. The legal power for expenditure is shown on the agenda and minutes for payments made.	
Payments made under section 137 of the Local Government Act 1972	
<ul style="list-style-type: none"> • A separate s137 account is maintained in the cash book / spreadsheet. 	
<ul style="list-style-type: none"> • Each year the RFO calculates the maximum allowable amount of s137 expenditure and ensures that it is not exceeded – confirmed to the Parish Council when expenditure is considered either by reference to a specific budget for that payment or to the amount of unspent s137 money available 	
<ul style="list-style-type: none"> • Requests for expenditure from s137 are made clear on the meeting agendas where the payment is to be approved. 	
<ul style="list-style-type: none"> • Each record of expenditure from s137 is properly minuted. 	
VAT repayment Claims (VAT126)	
<ul style="list-style-type: none"> • RFO ensures compliance with VAT notice 749 	
<ul style="list-style-type: none"> • RFO ensures that all invoices are addressed to the Parish Council. 	
<ul style="list-style-type: none"> • RFO ensures that proper VAT invoices are received where VAT is payable. 	
<ul style="list-style-type: none"> • RFO maintains a VAT account to show that the correct amount of VAT is reclaimed in the year and submits a claim for repayment bi-annually. 	
Income controls. The RFO:	
<ul style="list-style-type: none"> • ensures that amount of the precept received is in accordance with the precept request sent to the District Council. 	
<ul style="list-style-type: none"> • ensures that the precept instalments are received when due. 	
<ul style="list-style-type: none"> • ensures that other receipts (deposit interest, allotment and land rents) are received when due and correctly calculated. 	
<ul style="list-style-type: none"> • Issues individually numbered receipts for cash received and keeps a copy on record 	
<ul style="list-style-type: none"> • Records receipts in cash book / spreadsheet when received. 	
<ul style="list-style-type: none"> • Banks all income promptly. 	

Financial reporting	
A Budget Control, comparing actual receipts and payments to the budget and the previous year is prepared on at least a monthly basis, presented to each Parish Council meeting and minuted.	
Budgetary controls	
<ul style="list-style-type: none"> • The budget is approved by the Parish Council before the end of the financial year preceding the year to which it relates. 	
<ul style="list-style-type: none"> • The precept amount is identified following approval of the budget; the precept demand is issued to the billing authority by the date stipulated by the billing authority and in any case before 1st March at the latest. 	
Payroll controls	
<ul style="list-style-type: none"> • The Clerk is an employee and the RFO must register the Council with HMRC online; the Council, via RFO is responsible for reporting PAYE & NI monthly. 	
<ul style="list-style-type: none"> • The Clerk's salary is set by the Council and a minute is prepared to show the agreed salary. 	
<ul style="list-style-type: none"> • The salary is paid by standing order. 	
<ul style="list-style-type: none"> • The RFO ensures all the necessary payroll returns are made to HMRC and will retain evidence that this has been done. 	
<ul style="list-style-type: none"> • The RFO will act for the Parish Council regarding Pension duties and will work with the member appointed as the employer's contact. 	
Office and clerk's expenses	
<ul style="list-style-type: none"> • The clerk submits an invoice for reimbursement of monies owed by way of an expense account, in advance of each meeting 	
<ul style="list-style-type: none"> • The expenses cover a contribution towards the cost of maintaining an office at the clerk's home and any out of pocket expenses as well as motoring expenses, as laid down by joint SLCC/NALC guidelines 	
<ul style="list-style-type: none"> • Expenses are paid by BACS and the expense sheet treated as an invoice for accounting purposes 	
Asset Control	
<ul style="list-style-type: none"> • The RFO maintains a full asset register 	
<ul style="list-style-type: none"> • The existence and condition of assets is checked on a six-monthly basis by a member of the Parish Council 	
<ul style="list-style-type: none"> • The adequacy of insurance of the Parish Council's assets is considered annually in advance of the insurance renewal. 	