



CRANLEIGH PARISH COUNCIL
MINUTES OF THE FINANCE COMMITTEE MEETING
ON THURSDAY 10 MAY 2018
AT 7.00PM IN THE COUNCIL CHAMBER, VILLAGE WAY, CRANLEIGH

Councillors

Cllr R Burbridge
Cllr R Cole* (Chairman of the Committee)
Cllr B Freeston*
Cllr A Richardson*
Cllr E Townsend*

PRESENT*

ALSO PRESENT

Parish Clerk B. Bell FSLCC.

1. APOLOGIES FOR ABSENCE

The Committee AGREED the prior commitment apology of Cllr R Burbridge. Cllr M Foryszewski resigned from the Committee with immediate effect.

2. ELECTION OF VICE CHAIRMAN

Cllr E Townsend nominated Cllr A Richardson as Vice Chairman of the Committee, was seconded by Cllr B Freeston and AGREED.

3. DECLARATIONS OF INTEREST

Cllr E Townsend declared that she is a Waverley Borough Councillor.

4. MINUTES OF THE MEETING HELD ON 22 FEBRUARY 2018.

The Minutes of the Meeting of the Finance Committee held on 22 February 2018 were APPROVED as a correct record and were signed by the Committee Chairman.

5. PUBLIC SESSION

There were no members of the public present.

6. CHAIRMAN'S REPORT

The Chairman had no report.

7. CLERK'S REPORT

The Clerk reported that the Parish Council has received a complaint that the tennis courts and Council office were closed over the bank holiday weekend so the tennis courts could not be booked. The Committee agreed to monitor tennis income.

8. BUDGET REPORT

The Clerk provided budget report for income and expenditure for the financial year 01/04/17 – 31/03/18. The Clerk gave an explanation for all budget overspends as the table below:

		EXPENDITURE		
101	4009	Travelling expenses	-159	Budget insufficient for training needs
101	4011	Rates	-5	
101	4016	Cleaning	-32	
101	4018	Health and Safety	-537	Defib batteries and pads £582 - incorrect posting at year-end
101	4020	Misc Expenses	-95	KCL £400 donation for fence at Snoxhall - incorrect posting at year-end
101	4023	Stationery/printing	-2059	Copier - £3,285 but budget only £2000
101	4026	Computer/IT	-605	£1074 incorrectly coded, should be 101 4021, one invoice relates to previous financial year
101	4059	Other prof fees	-3618	Surrey Hills Solicitors £1,012 advice on CVHT, first registration cemetery £750, tennis courts £638, advice on charitable status Snoxhall Fields £500, advice on status of allotments £500, deeds of dedication £2,743
102	4003	Temporary workers	-37	Incorrect coding should be 102 4020
102	4008	Training	-60	HR training took cost centre over budget
105	4014	Electricity	-112	
105	4016	Cleaning	-115	Consumable costs applied here
107	4701	Grants	-1625	Incorrect year-end journal for website cost
201	4021	Telephone/fax	-421	£100 new phone, new contracts more expensive, plus insurance
201	4025	Insurance	-843	Tractor vehicle insurance
201	4036	Property maintenance	-11	
201	4043	Tractor maintenance	-299	Tractor needed repairs
203	4015	Gas	-1431	High gas bill related to faulty radiant heaters at start of financial year
203	4016	Cleaning	-40	Extra clean after modernisation
203	4018	Health and Safety	-204	Asbestos Survey £226
203	4036	Property maintenance	-41	Gym net £625
205	4014	Electricity	-88	New contract increased costs
205	4014	Gas	-555	New contract increased costs
205	4017	Refuse collection	-12	
209	4920	EMR - Tree Surgery	-855	Year-end journal - balance from general reserve
301	4015	Gas	-513	Heating left on as precaution against burst pipes over very cold weather

301	4017	Refuse collection	-19	
301	4018	Health and Safety	-2799	Kave Theatre Services inspection £307, remedial works £347, Asbestos Survey £226, Boiler breakdowns £340, Legionella Risk Assessment £454, ceiling lights 5 yearly inspection £528
301	4036	Property maintenance	-972	Electrical work £1621
301	4059	Other prof fees	-132	PRS licence £281
401	4018	Health and Safety	-38	Asbestos Survey £226
401	4019	Security	-40	New intruder alarm
401	4021	Telephone/fax	-72	2 incorrect ledgers for grounds person's phone
		INCOME		
101	1090	Interest	-299	Council considering Investment Strategy
201	1021	Tennis income	-18	Moved to managing tennis directly from 01 January 2018
203	1051	Youth Centre income	-3032	Youth Centre closed at start of financial year for modernisation
204	1010	Allotments income	-255	Lots of plot change overs - also dependent on % of senior citizen discount
301	1013	Cupboard income	-400	Reduction in number of hirers
301	1030	Village Hall income	-2870	Reduction in hire charge this year
401	1040	Burial fees	-8109	Reduction in number of burials

The Members NOTED the budget report and AGREED the budget overspends in accordance with Financial Regulation 4.2.

The Clerk was asked to email all Councillors to ask them to consider electronic transmission of agendas and minutes to reduce costs.

The Committee AGREED to ask the Property and Asset Committee to look at Village Hall income.

9. DEBTORS

The Clerk gave a report on debtors and said she has asked for a monthly report with the bank reconciliation. There is one debtor over 90 days and they should be making payment next week.

10. INTERNAL AUDIT

The Internal Auditor visited on 08 May 2018 and reported:

Recreation Ground – some anomalies have been identified in respect of the ownership and terms of usage of the Facilities by local Clubs. New Trust arrangements are to be put in place – the Council will own the Freeholds and act as Custodian/Managing Trustees.

New Bank Accounts and Book-keeping Systems will be introduced for the new Trusts. The Facilities are currently listed in the Council's Asset Register, which is in order. When the new Trust arrangements are set up, the related Assets will be excluded (Financial Values) at that stage.

The Clerk advised the Committee that the Council should use professional services to guide the Council through the first registration of the charity, creation of its new accounts and accounting systems, which will be subject to independent examination.

The Committee NOTED the Internal Auditor Report.

Cllr A Richardson read the following report on the scope of the effectiveness of the Internal Audit which was NOTED:

Cllr. Townsend and Cllr. Richardson attended the Internal Audit of Cranleigh Parish Council between 10am and 11:30am. The Internal Auditor, Peter Frost of Peter J Consultants and The Clerk, Beverley Bell were also present.

The Auditor covered issues raised at the previous audit in October and the Clerk was able to show that each concern raised had been covered. The Auditor said not all questions he asked were part of his remit, but thought it was best practice to raise them.

The Auditor asked for any changes to the Risk Management Schedule. The Clerk was able to identify that the council now have a new Hazardous Substance Risk Assessment.

The Clerk explained that the new external auditors PKF Littlejohn do not recognise delegated authority of the council to committees and subsequently their recommendations must go back to full council. It may be worth discussing whether we should consider changing our practices to avoid double-handling of the decision making.

The Auditor checked the date that the VAT return had been submitted and the last agreed date of Financial Regulations and Standing Orders. The Clerk assured the auditor that we were reviewing all of these in our Full Council meeting May 2018. Clerk advised that we were looking at adopting models from SALC.

The Auditor checked all the Insurance Policies were up to date.

The Auditor checked the Public Works Loan Board amount.

The Auditor checked one receipt of income into the bank account and one invoice payment out as well as the reconciliation of the bank balance to the end of year amount in the accounts.

Cllr. Richardson asked for an additional check on any payment made to a member or officer. This was duly carried out.

General discussion around:

GDPR – The Role of the Data Protection Officer and Professional Indemnity Insurance.

Financial Compensation Services Scheme and that the parish council is exposed with more than £85k in one financial institution. The difficulty for Parish Councils in opening new bank accounts.

Whether donated items should be included on the Fixed Assets Register total even if the donation and purchase are washed through the bank account.

Cybersecurity and the impact of insuring against the threat when moving to internet banking in the future.

The Clerk identified to the Auditor the measures we have taken as a Council to seek appropriate legal and financial advice on the registration of an area of Snoxhall Fields as a Charitable Trust. The Auditor has registered this as the only actionable item in his Audit Report following today's meeting.

Actions for future Internal Audits: Cllr. Townsend and Cllr. Richardson thought that the process was broadly effective and very useful for Councillors to attend. With regard to improvements to this process, a wider selection of financial transactions could be scrutinised by the auditor.

11. ANNUAL RETURN 01/04/17 – 31/03/18

- The Committee AGREED to recommend the Annual Governance Statement to the full Council for approval.
- The Committee AGREED to recommend the Accounting Statements to the full Council for approval.

12. BUDGET REPORT 01/04/18 - 31/03/19

The Clerk gave the following report on the Council's reserves at the start of the financial year and advised that it is best practice to keep 6 – 9 months precept in general reserve for emergency contingency:

General reserve	£158,747
Youth Service agreement	£6,100
CCTV	£1,090
Neighbourhood Plan	£2,807
Snoxhall Fields access road	£4,046
Snoxhall Fields parking control	£5,610
Village Hall curtains	£311
Village Hall architect fees	£1,373
Wall Hanging Post Card	£213
War Memorial Fund	£882
Centenary Garden	£15,304
Alarm	£14,000
Ditch	£6,000
Broadband	£1,100
	£217,583

The Committee AGREED to recommend to full Council to move the following funds:

- Move the Wall Hanging Post Card Fund to General Reserve
- Move the Village Hall Curtains to General Reserve

The Committee asked for the Property and Asset Committee to look into CCTV for Snoxhall Fields.

13. UTILITY CONTRACTS

The Committee DELEGATED AUTHORITY to the Clerk and Finance Assistant to obtain three quotations and negotiate the best contract for utilities.

14. INVESTMENT STRATEGY

The Clerk reported that Parish Councils whose investments exceed £100,000 during the financial year are required to prepare an Investment Strategy. It must be approved by the full Council and it is recommended that it is done prior to the start of the financial year. The Strategy should be publicly available on the Council's website.

The Committee DELEGATED AUTHORITY to the Clerk and Cllr A Richardson to review the Council's current Investment Policy and prepare a draft Investment Strategy for the full Council to consider.

15. GRANTS AND DONATIONS POLICY

- The Committee RECOMMENDED the Grant Awarding Policy to the full Council for approval.
- The Committee does not recommend a grant award to Challengers as their work is not Cranleigh specific.
- The Committee does not recommend a grant award to Waverley Borough Council for their Skate/BMX event.

16. DATE OF NEXT MEETING

To be arranged.

The meeting closed at 8.25pm.

DRAFT