

A meeting of the Finance Committee will be held on

Wednesday, 18 November 2020
at 7.30 pm

The meeting will be held remotely via Zoom

ACCESS: Please click the link below to join the meeting:

<https://us02web.zoom.us/j/87240358543>

To: Members of the Finance Committee
Councillors Linda Buchanan, K Gibbs (Chairman), M Ferguson and R Hancock

Cc: Councillor B Gibbs

Date of issue: 11 November 2020

A G E N D A

1 APOLOGIES

2 DECLARATIONS OF INTEREST

Parish Councillors to declare any disclosable pecuniary interest or non-pecuniary interest which they have in any item of business on the agenda, the nature of that interest, and in respect of disclosable interests, to leave the meeting prior to discussion of that item.

3 MINUTES OF THE PREVIOUS MEETING – 30 OCTOBER 2019

The Minutes of the previous meeting are not available; however, all the recommendations in respect of the budget for 2019-2020 were submitted to the Parish Council at its meeting held on 4 December 2019 and then approved at the Parish Council meeting held on 2 January 2020 and the extra-ordinary meeting held on 14 January 2020.

4 DRAFT BUDGET – 2021-2022

To consider budget proposals for 2021-2022. The following documents are enclosed:

- Clerk's covering report.
- Receipts and Payments Statement for each account showing the position at 30 September 2020.
- Budget Monitoring for the period to 30 September 2020 together with the draft budget for 2021-2022.
- Separate schedule showing the calculations for the likely end-of-year balance and the precept requirement for 2021-2022.

The Committee's recommendations will be submitted to the Parish Council at its meeting to be held on 2 December 2020, in the form of a revised budget schedule. The final recommended budget will be submitted to the meeting to be held on 6 January 2021.

5 INCOME SYSTEM – VILLAGE HALL

JDH Business Services Ltd, the Internal Auditor, audited the accounts for the main Parish Council account for 2019-2020 but had been unable to test the Village Hall account as there was no supporting information, such as a diary, booking forms, invoices and receipts. His comment was '*The Council needs to urgently re-establish effective internal controls over hall hire and ensure that all hall hire documentation is retained and made available for internal audit*'.

This was also an outstanding item from 2018-2019 and at its meeting on 6 August 2020, the Village Hall Committee was recommended to review arrangements so that there was a clear audit trail from (a) calendar of bookings; (b) to booking forms; (c) to invoices; (d) to receipts; and (e) to banking.

The Clerk had suggested the following as a means of providing the information required and advised that if this was provided monthly (but receipt books quarterly), it would enable a reconciliation between the bookings made and payments received:

- Monthly diary of bookings made. This could be an Excel sheet or other monthly diary sheet (an exemplar had been provided).
- Copy of the booking forms. As there were no invoices issued to clients, the booking forms would probably be acceptable to the auditor.
- Monthly list of the names of clients who had paid, the date of their bookings, the fee due and the receipt number.
- Receipt books to be provided to the Clerk on a quarterly basis, but in the meantime, a monthly list of the receipt Nos. and the names of the clients to be provided to the Clerk.

The Committee resolved that this system be implemented with immediate effect.

Councillor Kevin Gibbs will be able to provide these documents for information and comment at the meeting.

To follow

7 'CARDIFF CHECK'

The Committee is asked to conduct a check to ensure that there is authorisation for each payment made (via the Minutes of meetings) and that the correct payment was made. To assist, the following documents are provided:

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- Bank statements for both accounts (Parish Council and Village Hall).
- Ledger for each account for the current financial year to 30 September 2020.
- Minutes for the financial year to date.

8 CHEQUE SIGNATORIES

The Committee is asked to consider if the number of signatories for each cheque should be reduced from three to two.

This issue has arisen previously when the Clerk recommended that it should be reduced to two as this is the statutory provision (Local Government Acts 1894 and 1972); however, Members have taken the view that by having three signatories, this reduces the potential for fraud.

At the current time, owing to the pandemic, payments are now made either by direct debit, debit card or BACS, so it is not an issue at present. When the pandemic is over, the Council may wish to re-consider this as there is no evidence to suggest that the reduction in the number of signatories will result in fraud.

9 EXCLUSION OF PRESS AND PUBLIC

The Committee is invited to RESOLVE that in accordance with Paragraph 1 (2) of The Public Bodies (Admission to Meetings) Act 1960, the press and public be excluded from the meeting during consideration of the following items owing to the confidential nature of the business to transacted and the public interest would not be served in disclosing that information.

Note: Other than the title of the item, the following details have been omitted from the public agenda.

10 INTERNAL AUDIT – 2019-2020

(Reason for exclusion: The identity of individuals is shown on the enclosed statement.)

As part of the internal audit during 2019-2020, the auditor highlighted an unresolved issue from 2018-2019, namely that the deposits for 2018-2019 indicated that a total of £3,740.00 had been receipted, but only £3,425.00 had been deposited, leaving a shortfall of £315.

Enclosed are the following documents:

- Schedule of receipts – copied from the receipt books for 2018-19
- Bank statements for the financial year 2018-2019
- Schedule of Village Hall receipts for 2018-2019.

The Clerk has reviewed the documentation and in summary, £3,425 was deposited during that year 2018-2019, but £3,740 appears to have been receipted, resulting in the shortfall of £315.00 which cannot be explained.

The Clerk is now of the view, that it is possible that the amount of £315 as identified on the receipts schedule, with a note 'Named individuals on receipt' could be an error; however, this is not certain, as there would be no reason for this to have been recorded in this way.

The Committee is invited to consider this matter.

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