

KEYNSHAM TOWN COUNCIL

Minutes of the Finance & Policy Committee Remote meeting held on Tuesday
27th April at 6.30pm via Zoom.

PRESENT: Councillors D Biddleston, D Cooper, C Fricker, A Halliday,
H MacFie (Chair) and B Simmons

IN ATTENDANCE: Cheryl Scott – Town Clerk/RFO

NOT PRESENT Cllr J Wallcroft

118. APOLOGIES FOR ABSENCE

There were none.

119. DECLARATIONS OF INTEREST

There were none.

120. DISPENSATIONS

There were none.

121. RECORD OF PREVIOUS MEETINGS

RESOLVED

That the Minutes of the Finance Cttee meeting held on 9 March 2021 (previously circulated) be confirmed as a true record and signed by the Chairman at a later date.

122. PUBLIC PARTICIPATION

There was none.

123. JPAG PRACTITIONERS GUIDANCE 2020-2021 and 2021-2022

- (a) The Practitioners' Guide is issued by the Joint Panel on Accountability and Governance (JPAG) to support the preparation by smaller authorities in England of statutory annual accounting and governance statements found in the Annual Governance and Accountability Return (AGAR). The RFO explained the change in how staff costs needed to be accounted for on the 2020-2021 AGAR according to the 2020-2021 guidance. This would mean journalling out the Working From Home Allowance paid with salaries from nominal codes for each member of staff into a separate nominal code that would be treated as ordinary costs.
- (b) The most recently published guide had few changes that would impact the Council's current procedures going forward into the new financial year. However, section 4 on Internal Audit had been comprehensively re-written and provided a template for reviewing the Council's Internal Audit arrangements as well as the basis of any future tender specification for Internal Audit services.
- (c) Specific items from Section 4 had been highlighted to draw attention to some of the items the Internal Auditor had referred to and the current and planned procedures were discussed.

- (d) The conversation turned to the Cemetery, how long before more space would be required. whether land in the greenbelt could be used for cemeteries, and whether the cemetery broke even, was profitable or made a loss.
- (e) The conversation then moved towards the general topic of future income generation, and it was generally agreed that the Cttee needed to commence work on looking at future income-generating possibilities.

RESOLVED

- (i) To note the current Guidance and list of changes for 2020-2021 including the changes to recording staff costs in the AGAR.
- (ii) To note the current Guidance and list of changes for 2021-2022.
- (iii) To use the new Section 4 of the 2021-2022 Guidance as the specification for future Internal Audit specification and review.
- (iv) That a series of virtual informal discussions should commence to discuss income generating options, starting with a meeting to determine all options the Cttee wished to look into. Once proposals had been formulated these would be discussed at a formal Cttee meeting prior to making recommendations to Town Council.

124. INTERNAL AUDITORS SECOND INTERIM REPORT

- (a) The recommendations of the Internal Auditor arising from the second Internal Audit were discussed. The first recommendation related to progress towards invoice processing and bank reconciliation procedures which were tabled later on the Agenda.
- (b) The second recommendation related to bringing the new sales ledger package on the accounts system into operation so that in future reports were produced from the accounts system and not manually in spreadsheets. A system needed to be introduced to ensure invoices that needed to be raised were raised and then payment receipts subsequently routinely monitored. The RFO informed the Cttee that this was to be addressed once the invoice processing and bank reconciliations procedures had been finalised.
- (c) The Cttee discussed the use of debit cards, which were restricted to the senior officers and whether some type of pre-paid debit card could be used by staff to reduce the need for petty cash. The Clerk explained that Grounds Maintenance already had trade cards for DIY and Fuel purchases and that whilst a top up card might be considered for office staff, it would not negate the need for petty cash. A pre-paid debit card would also create the additional need to reconcile the account every month.

The Cttee paid tribute to the Clerk for the Auditors comments that the Internal Controls were satisfactory for the needs of the Council.

RECOMMENDATION

To consider the report and recommendations of the Internal Auditors.

125. EXTERNAL AUDIT – INTERMEDIATE REVIEW REQUIREMENTS 2020-2021

The Clerk advised that there were no “except for” matters from the previous External Audit and that they would be gathering the relevant evidence for this year’s Intermediate Review which consisted of proof the Council was registered as an employer with HMRC. This was a simple matter as the payroll system was linked directly to HMRC and authenticated electronic submissions to and receipts from HMRC could be provided of monthly tax and NI amounts owing to HMRC.

RESOLVED

To note the above.

126. BANK RECONCILIATIONS AND END OF YEAR

To receive the bank statements, accounts reports and bank reconciliation for March 2021 and to consider procedures for the Cttee to check the 2021-2022 bank reconciliations quarterly as per the Council's Internal Controls System and Financial Regulations.

RESOLVED

- (i) Cllr MacFie will perform the Year End Bank Reconciliation as at March 2021 and report back to the June meeting in respect of ease of procedure and any discrepancies.
- (ii) To defer approval of procedures for future bank reconciliations to be undertaken by the Committee to the June meeting.

127. FINANCIAL TRANSACTION PROCEDURES (INVOICE PROCESSING and PURCHASING)

The Clerk provided a report on the progress of converting various procedures that had previously relied on manual preparation of spreadsheets to procedures utilising reports from the software systems. These included Invoice Processing, Bank Reconciliation, Petty Cash, Payroll, Sales Invoices and the associated amendments required to Financial Regulations to address on-line ordering with the debit card. Use of Iris reports for payroll authorisation and review was now in operation and the manual spreadsheets were no longer produced. Invoice processing/Bank reconciliation procedures would be run in tandem for the next 6 months, pending a decision from Personnel Cttee to recruit a full-time Finance Officer. The petty cash voucher system had been discussed and a new procedure for voucher authorisation would be introduced once staff returned to the office.

RESOLVED

To note progress improving procedures in line with the Internal Auditors recommendations.

128. ASSET REGISTER ANNUAL REVIEW

The Clerk explained the two asset registers. One was the replacement value for insurance purposes that had been reviewed last June and the one provided at this meeting which was the purchase price of assets for the AGAR/Auditors.

The Clerk advised that the summary report detailing new acquisitions including Kelston Play area equipment, office carpets was mostly correct however, it was based on the very detailed schedule that needed a thorough review and update to account for assets that were no longer in operation/broke/disposed of and new assets purchased over the last year including items such as the COVID hand sanitiser dispensers.

RESOLVED

That an updated detailed asset register be submitted to the July meeting for review.

129. ANNUAL REVIEW OF PERFORMANCE AGAINST CORPORATE GOVERNANCE TIMETABLE

- (a) In advance of the Council approving the Statement of Internal Control and the assertions in the Annual Governance Statement at its meeting in June, the Annual Corporate Governance timetable annotated to show progress against the various actions was discussed.

- (b) The Investment review had not been conducted as there were currently no investments to review. The Financial Regulations were being reviewed at this meeting and the Annual Health and Safety Risk assessment was occurring on June 17th as visits to premises were required which had previously been prevented by COVID. Whilst it had been the intention to review Standing Orders at this meeting, the re-scheduling of Personnel owing to the death of the Duke of Edinburgh (at this the Cttee were preparing to make recommendations to change Standing Orders) meant that the Standing Orders would need to be reviewed at the June meeting once the Personnel Cttee had met.
- (f) Therefore, all items apart from the Investment Review, which was unnecessary at the moment, would therefore be completed by the June Town Council meeting at which the Annual Governance Assertions would be considered.

RESOLVED

That the Cttee notes the delays and rescheduling of certain items to different months owing to COVID but that progress against the timetable was satisfactory.

130. PRESS AND SOCIAL MEDIA POLICY

The Clerk advised that owing to time constraints the policy was not able to be produced in time for the meeting.

RESOLVED

To defer consideration of a new press and social media policy to a future meeting.

131. REVIEW OF TERMS OF REFERENCE

- (a) The Clerk presented the Terms of Reference with amendments in red font. The last two items were not for discussion at present so it was pages 1-20 the Cttee was being asked to consider. The Environment and Sustainability Terms of Reference had been slightly amended to include for the pending Ecological Emergency declaration and work that may be required towards a joint Climate and Ecological Emergency policy.
- (b) Concern was expressed at the delay to setting up of a Strategic Working group – however recommendations were awaited from Personnel on dual hatted Councillors and possible conflict of interest for strategic matters affecting Keynsham before moving forward with bringing the final Terms of Reference to Council for consideration.

RECOMMENDATION TO TOWN COUNCIL

To approve the amended Terms of Reference for Committees, Sub-Cttees and Working Groups.

132. FINANCIAL REGULATIONS REVIEW

- (a) The Regulations with annotated amendments to incorporate new legislation and changes to invoice processing and other procedures, (including on-line ordering with debit cards) were previously circulated.
- (b) The Cttee discussed section 4.1 at length which was an amended authority to spend to include raised limits and a new level for on-line debit card purchase. The Clerk explained that in order to get best value for money, the Council often now took advantage of internet shopping/on-line ordering and that whilst she was endeavouring to set up credit facilities with regular suppliers, there were occasions where the Council was required to pay immediately for on-line goods via debit card. The new limits allowed the officers to order goods for immediate

payment up to an order value of £750 on the debit card and to place purchase orders with subsequent payment through the Council's approval procedures to the value of £1500, before authorisation from a Councillor or a Cttee respectively needed to be sought. The £5000 level at which full Council authorisation was required remained the same.

The Cttee spent considerable time discussing whether it was appropriate to raise the limits, the frequency of large item purchases, whether limits should remain at £1000 or whether limits should be raised but a new measure of control introduced if there was more than one purchase at the limit per month.

RECOMMENDATIONS

- (I) To add the following clause in s4.1 as follows:
"Any two items exceeding the level of authorisation in one month should be escalated to the next level of authority.
- (II) To approve the Financial Regulations as subsequently amended.

133. DATE OF NEXT MEETING

The next scheduled meeting of the Cttee is due to take place on Tuesday 8th June. This date is after virtual meetings become prohibited but before national lockdown ends. The End of Year Audit is not due to take place until 11th June and the Cttee is required to review all documentation associated with Annual Return, Statement of Internal Control and End of Year accounts prior to submission for approval at the Town Council meeting of 22nd June.

RESOLVED

- (v) That the meeting of 8th June be rescheduled to be held on Tuesday 15th June 2021 at 6.30pm as a virtual consultation meeting.
- (vi) That a face to face meeting be held in The Space on Tuesday 22nd June at 6.45pm immediately prior to the Council meeting to approve recommendations to Council pertaining to the AGAR and other Internal Control and financial matters.

The meeting ended at 20.07.

..... (Chairman)

Dated: