SPRINGFIELD PARISH COUNCIL
MINUTES OF THE FINANCE AND POLICY COMMITTEE MEETING
HELD ON 15TH FEBRUARY 2021 AT 7.00P.M.
VIA ZOOM PLATFORM

PRESENT:

Cllrs: Ms S Byrne-Lagrue, Mrs C Garrett, N Gulliver, R Lee, Mrs Y Spence (Chairman) and Ms S Sullivan.

IN ATTENDANCE: Clerk to the Council

32 APOLOGIES FOR ABSENCE – there were none.

33 MINUTES OF THE COMMITTEE MEETING HELD ON 9th November 2020

RESOLVED: that the minutes of the meeting be agreed and signed as a correct record.

34 DECLARATIONS OF INTEREST & DISPENSATIONS – there were none.

35 CO-OPTION OF NON-COMMITTEE MEMBERS – none were required.

36 QUESTIONS FROM MEMBERS OF THE PUBLIC & PRESS – none were in attendance.

37 RISK ASSESSMENTS

(a) Work Unit & Equipment – no significant risks to report.

(b) Parish Council Offices – no significant risks to report.

RESOLVED: that the information be noted.

38 FINANCIAL MATTERS

38.1 **Budget Report**

Members received a budget report for the period November 2020 - January 2021

RESOLVED: that the report attached as appendix A be received and noted.

38.2 **Bank Balances & Investments**

Members received a statement of the Council's bank accounts and investments as at 31st December 2020.

Current A/c	£ 50,000.00
Business Premium A/c	£ 260,149.29
CCLA	£ 312,400.98

RESOLVED: that the bank balances be noted.

38.3 **Nat West Bank Update**

The clerk reported that the agreed compensation from Nat West bank had now been received.

RESOLVED: It was noted the sum of £501 had been received from Nat West bank.

38.4 **Financial Support to Village Halls**

RESOLVED: it was noted that Business Support Grants received from Chelmsford City Council to date, due to the Covid pandemic, totalled £13,992.87.

38.5 **Interim Audit 2020 / 2021 (and financial risk documents)**

Members received the Heelis & Lodge interim internal auditors report for the financial year. The Council's internal risk controls were assessed in association with the report.

RESOLVED: that (a) the Scope of internal audit work carried out by Heelis & Lodge and attached as appendix B is approved;

(b) the review of effectiveness of internal audit attached as appendix C is approved;

(c) the Internal controls and financial risk control attached as appendix D is approved;

(d) the committee consider at their next meeting whether 'E' signing of documents should be introduced and the implications this may have on financial security;

(e) the interim audit report dated 3rd December 2020, be approved and noted.

38.6 **Appointment of External Auditor**

REOLVED: It was noted that PKF Littlejohn LLP are the appointed external auditors for the present financial year.

38.7 **Appointment of Internal Auditor**

RESOLVED: that further to the Finance & Policy Committee meeting on 17th February 2020, minute 46.4, Members approved the continued appointment of Heelis & Lodge as their internal auditor.

39 POLICY REVIEW

Members reviewed the following parish council policies:

- Freedom of Information – no change
- Complaints Procedure - no change
- Governance, Strategy and Engagement - 2021-2026 – reviewed objectives

RESOLVED: the policy review of documents is noted.

40 SUBSCRIPTIONS

40.1 **Society of Local Council Clerks**

RESOLVED: the annual subscription to the SLCC on behalf of the Clerk in the sum of £346 be approved (an overspend will be seen within the subscription budget).

40.2 **Friends of Historic Essex**

RESOLVED: the annual subscription to the Friends of Historic Essex is due on 1st April 2021, it was agreed the subscription be paid.

41 PERSONNEL SUB COMMITTEE – Meeting 26th November 2020

Members were advised that 8 staff placed on Furlough had been informed they would not receive confirmation about their full-time return to work until after the government announcement had been made on 22nd February 2021, regarding easing of lock-down.

RESOLVED: that (a) the minutes of the committee meeting held on 26th November 2020, be accepted;

(b) the remainder of the information be noted.

42 FOR INFORMATION

Insurance for Business Interruption

The Clerk to the Council had questioned the parish council's insurers regarding the submission of a claim against the business continuity premium. The response had been the policy did not cover losses from the government's action to force businesses to close.

RESOLVED: it was noted that an insurance claim was not possible for business interruption, due to the global pandemic.

Cllr Y Spence.
Chairman

Meeting closed 7.35p.m.

Signed.. Date ....7/6/21....

Date: 08/02/2021
Time: 10:20:23

Springfield Parish Council
Budget Report

Appendix A

From: Month 8, November 2020
To: Month 10, January 2021

Chart of Accounts: Finance and Policy Committee [PARTIAL]

	Period Actual	Period Ratio(%)	Period Budget	Period Variance	Year to Date Actual	Year to Date Ratio(%)	Year to Date Budget	Year to Date Variance
Income								
4001 BPA interest	8.57	11.39	0.00	8.57	191.62	2.70	0.00	191.62
4002 Nat West interest	0.00	0.00	0.00	0.00	942.39	13.28	0.00	942.39
4004 CCLA	39.04	51.89	0.00	39.04	584.70	8.24	0.00	584.70
4006 Miscellaneous	0.00	0.00	0.00	0.00	5,250.00	73.98	0.00	5,250.00
4013 Misc	0.00	0.00	0.00	0.00	100.00	1.41	0.00	100.00
4134 Photocopy / post income	27.63	36.72	0.00	27.63	27.63	0.39	0.00	27.63
	75.24	100.00	0.00	75.24	7,096.34	100.00	0.00	7,096.34
Finance & Policy								
5011 Handymen Unit - Water charges	88.82	118.05	0.00	(88.82)	144.51	2.04	170.00	25.49
5010 Handymen - vehicle	0.00	0.00	0.00	0.00	1,996.51	28.13	1,900.00	(96.51)
5013 Handymen - Workmen's unit - r	331.32	440.35	0.00	(331.32)	1,104.40	15.56	1,520.00	415.60
[illegible] Handymen - Workmen's unit - e	146.61	194.86	0.00	(146.61)	353.49	4.98	400.00	46.51
5015 Handymen - health and safety	69.65	92.57	0.00	(69.65)	69.65	0.98	150.00	80.35
5016 Handymen - bin hire	0.00	0.00	0.00	0.00	958.10	13.50	1,850.00	891.90
5018 Handymen - clothing and boots	24.18	32.14	0.00	(24.18)	141.05	1.99	400.00	258.95
5019 Handymen - equipment	25.00	33.23	0.00	(25.00)	562.98	7.93	500.00	(62.98)
5020 Handymen - petrol	500.64	665.39	0.00	(500.64)	1,472.00	20.74	2,200.00	728.00
5021 Handymen - machinery mainten	86.09	114.42	0.00	(86.09)	415.31	5.85	200.00	(215.31)
5022 Handymen - general maintenan	38.50	51.17	0.00	(38.50)	223.30	3.15	150.00	(73.30)
5029 Handymen - salaries	14,214.39	18,892.07	0.00	(14,214.39)	48,052.01	677.14	55,600.00	7,547.99
5032 Handymen petty cash	0.00	0.00	0.00	0.00	0.00	0.00	50.00	50.00
5040 Miscellaneous	0.00	0.00	0.00	0.00	1,149.57	16.20	0.00	(1,149.57)
5050 Parish Council staff - salaries	35,485.83	47,163.52	0.00	(35,485.83)	118,464.11	1,669.37	137,500.00	19,035.89
5060 Internal Audit	210.00	279.11	0.00	(210.00)	420.00	5.92	400.00	(20.00)
5061 External audit	0.00	0.00	0.00	0.00	950.00	13.39	2,250.00	1,300.00
5080 - Donations GPC	0.00	0.00	0.00	0.00	0.00	0.00	500.00	500.00
5110 Courses & Training	0.00	0.00	0.00	0.00	178.00	2.51	1,000.00	822.00
5129 Postage	0.00	0.00	0.00	0.00	100.00	1.41	300.00	200.00
5120 Telephone	284.80	378.52	0.00	(284.80)	1,166.42	16.44	2,200.00	1,033.58
5130 Stationery	130.47	173.41	0.00	(130.47)	548.55	7.73	800.00	251.45
5131 PC insurance	0.00	0.00	0.00	0.00	3,728.47	52.54	4,500.00	771.53
5132 Office furniture/equipment	0.00	0.00	0.00	0.00	0.00	0.00	250.00	250.00
5140 Photocopier	104.00	138.22	0.00	(104.00)	204.99	2.89	600.00	395.01
5145 PC - rates	660.39	877.71	0.00	(660.39)	2,202.05	31.03	3,100.00	897.95
[illegible] Bank charges	0.00	0.00	0.00	0.00	0.00	0.00	30.00	30.00
5160 Subscriptions	346.00	459.86	0.00	(346.00)	2,162.10	30.47	1,945.00	(217.10)
5161 Gas	90.33	120.06	0.00	(90.33)	400.14	5.64	1,200.00	799.86
5171 Electricity	288.75	383.77	0.00	(288.75)	924.51	13.03	2,000.00	1,075.49
5172 Professional fees	0.00	0.00	0.00	0.00	0.00	0.00	1,000.00	1,000.00
5200 Chairman's allowance	0.00	0.00	0.00	0.00	0.00	0.00	250.00	250.00
5211 Lift Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	500.00	500.00
5210 Community Police	0.00	0.00	0.00	0.00	60.75	0.86	0.00	(60.75)
5230 Computers/ technology	501.70	666.80	0.00	(501.70)	6,252.93	88.11	6,000.00	(252.93)
5301 Clerk's Petty cash	0.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00
5307 HR / personnel	724.28	962.63	0.00	(724.28)	2,930.40	41.29	4,500.00	1,569.60
5501 Publicity & Advertising annual r	8.20	10.90	0.00	(8.20)	63.66	0.90	100.00	36.34
5300 Website	200.00	265.82	0.00	(200.00)	2,636.00	37.15	3,500.00	864.00
	54,559.95	72,514.55	0.00	(54,559.95)	200,035.96	2,818.86	239,615.00	39,579.04
Net Profit/(Loss):	(54,484.71)	(72,414.55)	0.00	(54,484.71)	(192,939.62)	(2,718.86)	(239,615.00)	46,675.38

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Springfield Parish Council

(reviewed by council February 2021)

Appendix B

Scope of Internal Audit work

Checking on and reporting to the Council on the adequacy of systems of control. Making recommendations where required.

Proper book-keeping	Receipts and payments books or computer records, regular reconciliation of books and bank statements. Supporting vouchers, invoices and receipts
Financial regulations	Standing Orders and Financial Regulations Tenders Appropriate payment controls including acting within the legal framework with reference to council minutes Identifying VAT payments and reclamation Cheque books, paying in books and other relevant documents
Risk Assessment	Appropriate procedures in place for the activities of the council
Budgetary controls	Verifying the budgetary process with reference to council minutes and supporting documents.
Income controls	Precept and other income (where applicable), including credit control mechanisms
Petty Cash	Associated books and established system in place
Payroll controls	PAYE and NIC in place where necessary. Compliance with Inland Revenue procedures Records relating to contracts of employment
Asset control	Inspection of asset register and checks on existence of assets Cross checking on insurance cover and deeds (where applicable)
Bank Reconciliation	Regularly completed and cash books reconcile with bank statements
Year-end procedures	Appropriate accounting procedures are used and can be followed through from working papers to final documents Verifying sample payments and income Checking creditors and debtors where appropriate.

Independence and Competence

The Audit Commission expects the function of an Internal Auditor to be undertaken by a competent person who does not have any direct involvement in the Council's financial affairs. And who complies with guidance given in the Practitioners Guide of Governance & Accountability for Local Councils.

Heather Heelis is a Local Authority Financial Officers and qualified to Diploma level in Local Policy with over 18 years experience, and is considered by both the Audit Commission and the Charity Commission, to fulfil the criteria relating to independence and competency tests, to act as Independent Internal auditor to Town and Parish councils.

HEELIS&LODGE

Local Council Services • Internal Audit

www.heelisandlodge.co.uk

Contact details : Tel: 07732 681125 Email: enquiries@heelisandlodge.co.uk

Heather Heelis Dip HE Local Policy PILCM Lynne Lodge Dip HE Local Policy

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Appendix C

Springfield Parish Council
Review of effectiveness of Internal Audit

Expected Standard	Evidence of Achievement	Yes or No	If the answer is 'no', state the action to be taken
Scope of internal audit	Has the Council approved the Heelis & Lodge scope of audit work? Is the Council satisfied with what the internal audit work covers or do you require any additional work?	YES	
Independence	Are Heelis & Lodge independent from the management of the council?	YES	
Competence	Is the internal audit work carried out with integrity, objectivity and a good understanding of local council legislation and procedures? Are the internal auditors competent in their role?	YES	
Relationships	Is the Clerk/RFO consulted on the internal audit plan and the scope of each audit? Is the Clerk/RFO and the internal auditor aware of their responsibilities in relation to internal control? *(Refer to your councils risk management policies e.g. risk assessments, Standing Orders and Financial Regulations)* Do councillors understand their responsibilities for financial management? *(It is the council as a whole who are responsible for ensuring financial management is adequate and effective and that it has a sound system of internal control for all the activities and services that they undertake and provide, which includes arrangements for the management of risk.- Governance and Accountability for Local Councils: A Practitioners' Guide 2017)*	YES	
Audit Planning and reporting	Does this audit plan take account of all the risks facing the council? Has this audit plan been approved by the council? (via recommendation from the Finance & Policy Committee) Have you received an internal audit report following each audit?	YES	

Date of approval by Council: ____________

Finance Committee 15 Feb 21
Full Council 10 May 21

Reviewed by Council
February 2021

Appendix D

SPRINGFIELD PARISH COUNCIL
INTERNAL FINANCIAL & RISK CONTROL

RISK IDENTIFICATION	INTERNAL CONTROL	INTERNAL AUDIT
1) Physical assets		
	Maintain an up-to-date asset register.	Asset register will be viewed.
e.g. bus shelters & buildings owned by the	Regular maintenance arrangements are	Management of insurance cover review.
Council.	in place. An annual review of financial risk is carried	
	out to determine adequacy of insurance cover.	
2) Property & Individuals		
Damage to third party property or individuals	Regular maintenance arrangements will be in place	Annual review of public liability insurance cover
as a result of services or amenities provided.	Relevant insurance cover will be provided	
3) Asset Ownership		
Legal liability as a consequence of asset	Annual review of adequacy of insurance cover	Annual review of public liability insurance cover
ownership		
4) Services		
Services with agency / partnership agreement	Statement of management responsibility and	Evidence of insurance cover provided by supplier /
via principal authorities	regular scrunity of performance. Reporting	contractor.
	on performance by supplier / contractor	
5) Events		
Adhoc provision of facilities / events for	Ensure correct maintenance of all facilities / goods	Review adequacy of insurance cover
community including equipment for hire	Undertake risk assessment of event where required	
6) Financial Transactions	written and computerised records for the receipt of	Review of accounting systems and insurances on a
	cash / cheques are in place with staff using a	regular basis
(prevention of theft or dishonesty)	double check system of counting cash and banking.	
	Petty cash sums are received and checked	
	by two seperate staff members.	
	Petty cash is stored in locked cash boxes and paid	
	on presentation of expenditure evidence only andsigned	
	for by employee.	
	Cash sums are receipted on computerised accounting system	
	cash sums totalling £200 or over are banked within 2 working days	
		server/cttee/F&P/policies/financial risk

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RISK IDENTIFICATION	INTERNAL CONTROL	INTERNAL AUDIT
6) continued	Adequate fidelity guarantee is in place	Reviewed annually
	Online Bank payments are entered onto external banking accounts (Barclays) by RFO	Two members of the Council check payments are correctly assigned to supplier account details. One member then log into banking to authorise payments
	Regular reconciliations of PDQ receipts are taken and matched against bank statement.	Receipts and Payments are checked by separate employees
7) Bank / Investments	Regular bank reconciliations take place by the RFO and any anomaly investigated. Each bank statement once reconciled is scrutinised and signed by a member of the council to confirm its accuracy.	Bank reconcilitation checks will be undertaken by various council members e.g no one member will consistently sign.
	Procurement cards are retained by the RFO and issued on request with a purchase order. A record of expenditure is maintained with spending evidence. Maximum spending limits shall be set.	Reporting to committee and monitoring of minutes
	Regular reports of bank reconciliations and financial investments are reported at the finance & policy committee meetings to permit authorisation of fund transfers or re-investment.	Monitoring of minutes to ensure compliance
8) Borrowing	Maintain records of borrowing approval and statements of repayments made. Comply with restrictions on borrowing and seek guidance from the EALC/NALC if required.	Monitor council minutes for borrowing approval.
9) Employment & HMRC H.M. Revenue and Customs VAT, PAYE, NI contributions	Ensure regular returns of contributions are made and if required appropriate training is given to those responsible for submitting the returns	Inspection of returns to ensure correct procedure being followed

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RISK IDENTIFICATION	INTERNAL CONTROL	INTERNAL AUDIT
10) Funding & Financial Assets Precept requirement - failure to adequately calculate the councils funding requirement for any one financial year	To ensure that financial regulations and standing orders have detailed controls for setting budget requirements. Appropriately qualified staff are appointed to carry out those processes.	Monitoring of minutes
	Reporting to relevant council meetings will take place.	
	Approval of minutes by councillors	
	Checking of bank statements and associated payments	Monitoring of minutes
	Regular budget reporting to committee meetings	
	The Council presently hold the General Power of Competence S. 137 is not therefore used.	
11) Annual Accounts Electors wishes to exercise their rights to inspection financial documentation and end of year accounts.	RFO to report annual accounts to members of the Council for approval and posting of appropriate notices to inform of audit and closure of audit.	Report from auditor at end of year will prove compliance
12) Technology	Passwords are changed every six months or when a staff member leaves	
	Ensure that all staff and members comply with the Council's Social Media Policy.	
13) Internal Audit	Internal Audit is carried out twice yearly by an independent competent person who provides a written report of their findings.	
14) Inadequate Insurance	Ensure all council assets are adequately insured.	Regular reviews of insurance policy schedules
15) Tender process	Ensure all tender processes are carried out in accordance with the Council's finanical regulations	Monitoring at discussion stage to ensure correct tender processes are agreed at committee meetings.
16) GDPR Compliance	Council has a privacy statement that all staff and councillors sign to state they will comply with the regulations.	Annual review

RD

	All documents are password protected trhough PC and available	
	information in public places is limited to those in the public domain	
	server/cttee/risk/financial risk originated mar 08 V.1 reviewed Feb 19 V. 5	reviewed Feb 2021 V.6