



BOXLEY PARISH COUNCIL
www.boxleyparishcouncil.org.uk

Beechen Hall, Wildfell Close, Walderslade, Chatham, Kent. ME5 9RU
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Clerk Mrs Pauline Bowdery **Assistant Clerk** Mrs Melanie Fooks

A G E N D A

To All Members of the Council, Press and Public

There will be a meeting of the **Finance & General Purposes Committee** on **Tuesday 17 May 2016 at Beechen Hall, Wildfell Close, Walderslade**, commencing at 7:30pm when it is proposed to transact the following business:

1. Apologies and non-attendance

To receive apologies from members unable to attend.

2. Declaration of Interests, Dispensations, Predetermination or Lobbying.

Members are required to declare any interests, dispensations, predetermination or lobbying on items on this agenda. Members are reminded that changes to the Register of Interests should be notified to the Clerk.

3. Minutes of the meetings of 15 March and 12 April 2016

To consider the minutes of the meetings and if in order to sign as a true record (previously circulated).

4. Matters Arising From the Minutes

- 4.1 Minute 2853/4.1. Purchase of pdf software. The need for this will be reviewed after the installation of the new Microsoft professional software.
- 4.2 Minute 2853/4.2 Charitable Incorporated Organisations (CIOs). All the organisations have now started work on this change.
- 4.3 Any other matters arising from the minutes, not on the agenda.

Adjournment to enable members of the public to address the meeting.

5. Financial report.

- 5.1 Reconciliation of accounts reports
 - 5.1.1 HSBC Beechen Hall (page 3).
 - 5.1.2 Unity Trust Bank (page 4).
 - 5.1.3 Unity Trust ALTO (page 4).
 - 5.1.4 Cooperative Bank. Details to be supplied at the meeting.
 - 5.1.5 Santandar Investment Bond (page 5).
 - 5.1.6 Barclays Bank (page 5).
 - 5.1.7 Lloyds 3 month (page 5).
 - 5.1.8 Lloyds Bank 12 mths (page 6).
 - 5.1.9 Nationwide Beechen Hall (page 6).
 - 5.1.10 Nationwide Building Society PC (page 6).
- 5.2 Income/Expenditure report as at 31 March 2016. (pages 6-14).
- 5.3 Income/Expenditure report as at 30 April 2016. (page 14).
- 5.4 Parish Services Scheme. See report (page 14).
- 5.5 Administrative changes by three banks. See report (page 15).
- 5.6 Contingency Funds. See report (page 15).
- 5.7 Opportunities for Investment. See report (pages 15-16).

6. **Internal Audit Report**

To receive the report from the Independent Internal Auditor (pages 17-18).

Ten minute comfort break (if wanted).

7. **Annual Governance Statement**

To agree the statement. See report (pages 18-21).

8. **Annual Return for the Year Ended 31 March 2016**

To receive the end of year return (enclosed) and to consider a recommendation to the parish council concerning adoption and signing of the return. See report and enclosure (page 21).

9. **Policies and procedures reviews**

9.1 Health & Safety Policy. Proposed deferral to September meeting. See report (page 21).

9.2 Petty Cash and Payment of bills by Direct Debit and Standing Orders. The Clerk has undertaken reviews and judged them as still fit for purpose.

10. **Personnel matters**

10.1 TOIL, training, leave and leave/sickness cover.

10.2 Downs Mail Delivery. To review the payment made to the deliverers. See report (page 21).

11 **Grant Requests**

None received.

12 **Matters for Information**

None.

13 **Date of Next Meeting**

Tuesday 12 July 2016 at Beechen Hall, Wildfell Close, Walderslade commencing at 7.30 p.m. Items for the agenda must be with the parish office no later than 4 July.

Pauline Bowdery

Pauline Bowdery
Clerk to the Council.

Date: 9 May 2016

Issues to be returned to agenda as they develop: Minute 2813/4.3 KALC specific training. The logistics of arranging this to return to agenda July 2016: Minute 2833 Reserves, new format and full review July 2016

Note to all councillors: you are welcome to attend meetings of committees of which you are not a member but only committee members may vote.

Legislation allows for meetings to be recorded by anyone attending. Persons intending to record or who have concerns about being recorded should please speak to the Clerk.

Supporting agenda papers for the Meeting of the Finance & General Purposes Committee on Tuesday 17 May 2016.

The Chairman will assume that these have been read prior to the meeting.

Councillors wishing to suggest changes to any policy document or procedure in this agenda should notify the office, in writing, at least three working days in advance of the meeting. This will allow details to be circulated at the meeting (or in advance if particularly contentious).

Item 5. Financial report.

Item 5.1. Reconciliation of accounts

5.1.1 HSBC Beechen Hall

Date: 05/05/2016

Boxley Parish Council

Page No: 1

Time: 12:40

User : MJF

Bank Reconciliation Statement as at: 01/04/2016 for Cash Book 1 HSBC General Account

<u>Bank Statement Account Name (s)</u>	<u>Statement Date</u>	<u>Page No</u>	<u>Balances</u>
HSBC General A/C	30/04/2016	413	22,540.92
			<u>22,540.92</u>
<u>Unpresented Cheques (Minus)</u>		<u>Amount</u>	
			0.00
			<u>22,540.92</u>
<u>Receipts not Banked/Cleared (Plus)</u>			
			0.00
			<u>22,540.92</u>
		Balance per Cash Book is :-	17,317.78
		Difference Excluding Adjustments is :-	5,223.14
<u>Adjustments to Reconciliation</u>			
		0.00	
			<u>0.00</u>
		Unreconciled Difference is :-	<u></u>

5.1.2 Unity Trust Bank

Date: 06/05/2016 Boxley Parish Council Page No: 1
Time: 11:25 User: MJF

Bank Reconciliation Statement as at: 30/04/2016 for Cash Book 2 Unity Trust Account

<u>Bank Statement Account Name (s)</u>	<u>Statement Date</u>	<u>Page No</u>	<u>Balances</u>
Unity Trust Bank	22/04/2016	6	102,612.00
			<u>102,612.00</u>
<u>Unpresented Cheques (Minus)</u>		<u>Amount</u>	
			0.00
			<u>102,612.00</u>
<u>Receipts not Banked/Cleared (Plus)</u>			
			0.00
			<u>102,612.00</u>
		Balance per Cash Book is :-	102,612.00
		Difference is :-	0.00

5.1.3 Unity Trust ALTO. Note. This is the pre-paid debit card that is held by the parish office and which will be kept topped up to a maximum of £250.

Date: 06/05/2016 Boxley Parish Council Page No: 1
Time: 13:39 User: MJF

Bank Reconciliation Statement as at: 06/05/2016 for Cash Book 11 Unity Trust ALTO

<u>Bank Statement Account Name (s)</u>	<u>Statement Date</u>	<u>Page No</u>	<u>Balances</u>
Boxley Parish Council	03/05/2016	1	243.50
			<u>243.50</u>
<u>Unpresented Cheques (Minus)</u>		<u>Amount</u>	
			0.00
			<u>243.50</u>
<u>Receipts not Banked/Cleared (Plus)</u>			
			0.00
			<u>243.50</u>
		Balance per Cash Book is :-	243.50
		Difference is :-	0.00

5.1.5 Santander Investment Bond (matures Aug 2016) £75,009.25. £9.75 interest received.

Date: 05/05/2016

Boxley Parish Council

Page No: 1

Time: 12:34

User : MJF

Bank Reconciliation Statement as at: 30/04/2016 for Cash Book 5 Santander Investment Bond

<u>Bank Statement Account Name (s)</u>	<u>Statement Date</u>	<u>Page No</u>	<u>Balances</u>
Satander Investment Bond	30/04/2016	2016	75,009.25
			<u>75,009.25</u>
<u>Unpresented Cheques (Minus)</u>		<u>Amount</u>	
			<u>0.00</u>
			75,009.25
<u>Receipts not Banked/Cleared (Plus)</u>			
			<u>0.00</u>
			75,009.25
		Balance per Cash Book is :-	75,009.25
		Difference is :-	0.00

5.1.6 Barclays Bank. £64,638.25. No financial activity since last report. A £1 transaction will take place in May to keep the account active.

5.1.7 Lloyds 3 month (matures 05.08.16) £50,296.53. Reinvested at 5 May 2016, as previously agreed by members.

Date: 05/05/2016

Boxley Parish Council

Page No: 1

Time: 12:38

User : MJF

Bank Reconciliation Statement as at: 05/05/2016 for Cash Book 7 Lloyds 3 mth

<u>Bank Statement Account Name (s)</u>	<u>Statement Date</u>	<u>Page No</u>	<u>Balances</u>
Lloyds 3 mths	05/05/2016	11561	50,296.53
			<u>50,296.53</u>
<u>Unpresented Cheques (Minus)</u>		<u>Amount</u>	
			<u>0.00</u>
			50,296.53
<u>Receipts not Banked/Cleared (Plus)</u>			
			<u>0.00</u>
			50,296.53
		Balance per Cash Book is :-	50,296.53
		Difference is :-	0.00

5.1.8 Lloyds Bank 12 mths (matures 11.08.16) £25,000.00. No financial activity since investment.

5.1.9 Nationwide Beechen Hall (matures Aug 2016) £40,000.00. No financial activity since investment.

5.1.10 Nationwide Building Society PC (matures Sept 2016) £35,000.00. No financial activity since investment.

Item 5.2 Income/Expenditure report as at 31 March 2016

The following report is annotated with explanations concerning variance that are over/under 10%. This is the first year for using the new accounting software and so there has been some interference from previous and future financial years which should all settle out now. There were also some wrongly set up coding at the beginning of the year.

The Internal Audit Report (Item 6) refers to the need for councillors to check the Income & Expenditure Report issued in this agenda against the original Omega system report. To produce the information in a format that members find easier to refer to the RFO exports the original information into a document that can then be changed. Hence the advice that someone periodically checks that what is reproduced in the agenda is accurate.

Members' attention is brought to 160 Special Projects, Code 9000 Reversal of prior year accrual. This year it has been decided to put back into the system the creditor amount £31,850, mainly the cost for the pedestrian crossing and speed reduction, and this has been placed in this code. In previous years this amount has been shown under the creditor adjustment made at the end of the financial year and this increases the expenditure shown for that financial year. This action will have the effect of reducing the 2015/16 Annual Expenditure as shown on the End of Year Return, the Balance and Income and Expenditure Reports, but it will ensure that the parish council's reports and end of year accounts will in future be a true and accurate reflection of expenditure in that year.

6/5/2016

Boxley Parish Council 2015/16

First year of new accounting software

Detailed Income & Expenditure by Budget Heading 31/03/2016

Month No : 12

Committee Report

Parish Council		Actual	Actual	Current	Variance	Funds	% of	Explanation of +/-10% variation
		Current	Year	Annual	Annual	Available	Budget	
100 Parish Office		Mth	To Date	Bud	Total			see highlighted cells of % of budget column
4000	Salaries	3,400	40,986	41,479	493	493	98.80%	
4005	PAYE	1,111	13,336	13,770	434	434	96.80%	
4010	Pensions	77	912	11,222	10,310	10,310	8.10%	A large % of this is a sum included in the budget for ex-gratia payment for longer serving staff.
4020	Administration	312	1,861	2,376	515	515	78.30%	Less expenditure than expected
4025	Audit	260	520	431	-89	-89	120.60%	Influence from a previous financial year
4030	Books and Publications	12	12	60	48	48	19.90%	Less expenditure than expected
4035	Rates	0	1,460	1,624	164	164	89.90%	
4040	Licences/Leases	-107	1,084	2,066	982	982	52.50%	Less expenditure than expected 2016/17 budget adjusted.
4045	Subscriptions	0	1,495	1,564	69	69	95.60%	
4050	Training/Conferences	0	94	1,000	906	906	9.40%	Training identified for office staff not pursued to lack of time
4055	Travel-Staff	219	726	587	-139	-139	123.70%	More expenditure than expected

4105	Insurance	0	1,565	0	-1,565	-1,565	0.00%	Incorrect system set up included 2 codes for insurance in different centres (see below). Insurance premiums taken out to set against other users e.g. Walderslade Woods Group and this was not identified in the budget. Issues rectified for 2016/17 year
4210	Contingency Fund	-649	0	0	0	0	0.00%	
Parish Office :- Expenditure		4,635	64,052	76,179	12,127	12,127	84.10%	
Net Expenditure over Income		4,635	64,052	76,179	12,127			
110 General Parish Council								
4035	Rates	0	162	0	-162	-162	0.00%	
4100	Hire of Halls	45	290	356	66	66	81.50%	Less expenditure than expected
4105	Insurance	0	0	2,107	2,107	2,107	0.00%	See entry above.
4110	Parish Tour	0	0	375	375	375	0.00%	
4115	Publicity	890	5,915	7,670	1,755	1,755	77.10%	Chairman's report took only half expected space and was produced in black & white
4120	Website Admin	0	0	312	312	312	0.00%	Invoice not received
4125	Referendum	0	0	15,000	15,000	15,000	0.00%	Budget provision made in case expenditure is required.
General Parish Council :- Expenditure		935	6,367	25,820	19,453	19,453	24.70%	
Net Expenditure over Income		935	6,367	25,820	19,453			
120 Councillor & Subsistence Allow								
4150	Chairman's Allowance Personal	51	616	616	0	0	100.00%	

4155	Chairman's Allowance Civic	0	88	100	12	12	88.30%	Budget provision made in case expenditure is required.
4160	Councillor's Allowance/PAYE	337	4,167	5,050	883	883	82.50%	Budget provision made for more councillors to apply for the allowance but this was not taken up.
4165	Subsistence	0	14	100	87	87	13.50%	Budget provision made in case expenditure is required.
Councillor & Subsistence Allow :- Expenditure		388	4,885	5,866	981	981	83.30%	
Net Expenditure over Income		388	4,885	5,866	981			
130 Finance								
4210	Contingency Fund	649	649	35,500	34,851	34,851	1.80%	Budget provision made in case expenditure is required.
4220	Land Acquisition	0	0	63,654	63,654	63,654	0.00%	Budget provision made in case expenditure is required.
	Finance :- Expenditure	649	649	99,154	98,505	98,505	0.70%	
1076	Precept	0	98,481	98,481	0		100.00%	
1077	Government Grant	0	2,450	2,450	0		100.00%	
1090	Interest Received	4	2,738	2,350	388		116.50%	Better interest rate than expected.
1100	Parish Service Scheme	0	14,014	14,014	0		100.00%	
1130	Other	4	1,011	0	1,011		0.00%	Return of bell mouth bond plus other small income e.g. replacement keys
Finance :- Income		8	118,694	117,295	1,399		101.20%	
Net Expenditure over Income		641	-118,045	-18,141	99,904			

150 Grants								
4270	Other Grants	0	939	6,000	5,061	5,061	15.60%	A number of grants were not spent and a separate report is being made to the F&GPC
4275	Walderslade Woods Group	0	5,894	4,975	-919	-919	118.50%	Expenditure has been taken from some of the reserves held for the group. New unit installed.
4280	Village Hall Grants	0	500	1,400	900	900	35.70%	A grant request was not taken up and will be applied for in 16/17
4285	Vinters Valley Park LNR	2,049	4,975	4,975	0	0	100.00%	
4290	Friends of Boxley Warren	108	138	545	407	407	25.30%	Less expenditure than expected
	Grants :- Expenditure	2,157	12,446	17,895	5,449	5,449	69.50%	
	Net Expenditure over Income	2,157	12,446	17,895	5,449			
160 Special Projects								
9000	Reversal of prior year accrual	-31,850	-31,850	0	31,850	31,850	0.00%	New cost centre. For an explanation see report on End of Year.
	Special Projects :- Direct Expenditure	-31,850	-31,850	0	31,850	31,850		
	Net Expenditure over Income	-31,850	-31,850	0	31,850			
	Parish Council :- Expenditure	-23,086	56,548	224,914	168,366	168,366	25.10%	
	Income	8	118,694	117,295	1,399		101.20%	
	Net Expenditure over Income	-23,094	-62,146	107,619	169,765			

Estates								
220 Burial Ground								
4045	Subscriptions	0	90	92	2	2	97.80%	
4420	Admin Fee	0	250	250	0	0	100.00%	

	Burial Ground :- Expenditure	0	340	342	2	2	99.40%	
1200	Burials	0	872	550	322		158.50%	Lots of headstones erected
	Burial Ground :- Income	0	872	550	322		158.50%	
	Net Expenditure over Income	0	-532	-208	324			
230 Green Spaces								
4400	Maintenance	-55	765	2,500	1,735	1,735	30.60%	Less expenditure than expected.
4450	Boxley Village Green	0	10,710	10,500	-210	-210	102.00%	
4460	WDJ Orchard	-247	311	650	339	339	47.80%	Less expenditure than expected.
	Green Spaces :- Expenditure	-302	11,786	13,650	1,864	1,864	86.30%	
	Net Expenditure over Income	-302	11,786	13,650	1,864			
240 Grounds Maintenance								
4500	Grounds Maintenance Contract	0	5,133	7,500	2,367	2,367	68.40%	Budget inaccurately set with some inclusions for areas e.g. allotments which had their own budget identified.
4505	Roundabout Maintenance	-410	-410	308	718	718	-133.1	Influence from previous financial year
	Grounds Maintenance :- Expenditure	-410	4,723	7,808	3,085	3,085	60.50%	
	Net Expenditure over Income	-410	4,723	7,808	3,085			
250 Street Furniture								
4550	Noticeboards	0	0	1,420	1,420	1,420	0.00%	Permission from KCC not received in time for work to be organised.

4555	Seats	0	0	250	250	250	0.00%	Poor weather conditions resulted in work not being programmed will be undertaken in 16/17 from general maintenance code.
Street Furniture :- Expenditure		0	0	1,670	1,670	1,670	0.00%	
Net Expenditure over Income		0	0	1,670	1,670			
260	Beechen Hall							
4001	Wages	1,443	18,010	17,312	-698	-698	104.00%	
4005	PAYE	201	2,638	2,670	32	32	98.80%	
4010	Pensions	22	258	242	-16	-16	106.50%	
4020	Administration	36	183	357	174	174	51.30%	Less expenditure than expected
4025	Audit	260	520	431	-89	-89	120.60%	Influence from other financial year
4035	Rates	0	3,785	3,819	34	34	99.10%	
4040	Licences/Leases	0	395	787	392	392	50.20%	Influence from other financial year
4105	Insurance	0	944	1,650	706	706	57.20%	Lower premium 16/17 budget has been adjusted down
4210	Contingency Fund	1,600	2,524	6,000	3,476	3,476	42.10%	Budget provision made in case expenditure is required.
4605	CCTV/Alarms Maintenance	0	941	942	1	1	99.90%	
4610	Consumables	123	838	999	161	161	83.90%	Less expenditure than expected
4615	Electricity	643	2,436	2,392	-44	-44	101.80%	
4620	Gas	382	1,674	2,430	756	756	68.90%	Less expenditure than expected due to mild winter/spring
4625	Water	198	873	950	77	77	91.90%	
4630	Electrical Safety	0	0	205	205	205	0.00%	Budget provision should not have been made
4635	Fire Safety	0	55	250	195	195	22.00%	Training not undertaken
4640	Gas Maintenance	60	205	251	46	46	81.50%	Less expenditure than expected
4650	Hall Maintenance	648	1,873	3,150	1,277	1,277	59.50%	Less expenditure than expected

4655	Hall Marketing	3	36	125	89	89	29.10%	Less expenditure than expected
4656	Hire fee refund	0	18	0	-18	-18	0.00%	
4660	Refuse Collections	295	1,623	1,347	-276	-276	120.50%	Additional refuse bin lifts required
Beechen Hall :- Expenditure		5,914	39,829	46,309	6,480	6,480	86.00%	
1230	Hire Fees Casual	2,239	18,055	13,095	4,960		137.90%	
1231	PL Insurance Income	34	258	0	258		0.00%	A budget sum has now been included in 16/17 as PL insurance is now compulsory if you book the hall
1235	Hire Fees Regular	2,491	32,537	30,500	2,037		106.70%	
1250	Wages - AEC	0	428	150	278		285.00%	Increase in the up take of the service
Beechen Hall :- Income		4,764	51,276	43,745	7,531		117.20%	
Net Expenditure over Income		1,149	-11,447	2,564	14,011			
270 Beechen Hall projects								
4550	Noticeboards	0	0	1,250	1,250	1,250	0.00%	
4710	External Decoration	0	0	1,000	1,000	1,000	0.00%	
Beechen Hall projects :- Expenditure		0	0	2,250	2,250	2,250	0.00%	
Net Expenditure over Income		0	0	2,250	2,250			
280 Allotments								
4020	Administration	0	55	250	195	195	22.00%	
4105	Insurance	0	270	229	-41	-41	118.00%	
4400	Maintenance	-392	1,177	910	-267	-267	129.40%	

	Allotments :- Expenditure	-392	1,503	1,389	-114	-114	108.20%	
1280	Allotment Income	0	1,006	960	46		104.80%	
	Allotments :- Income	0	1,006	960	46		104.80%	
	Net Expenditure over Income	-392	496	429	-67			
	Estates :- Expenditure	4,809	58,181	73,418	15,237	15,237	79.20%	
	Income	4,764	53,155	45,255	7,900		117.50%	
	Net Expenditure over Income	45	5,026	28,163	23,137			

Environment								
300	Environment							
4800	Street Maintenance	0	256	3,500	3,244	3,244	7.30%	Bollards project not undertaken
	Environment :- Expenditure	0	256	3,500	3,244	3,244	7.30%	
	Net Expenditure over Income	0	256	3,500	3,244			
	Environment :- Expenditure	0	256	3,500	3,244	3,244	7.30%	
	Income	0	0	0	0		0.00%	
	Net Expenditure over Income	0	256	3,500	3,244			

Item 5.3 Income/Expenditure report as at 30 April 2016

In previous years the committee has not required, due to the complexity of the agenda, an Income & Expenditure report for the period 1-30 April. If members wish to have this report it can be arranged for details to be supplied at the meeting.

Item 5.4 Parish Services Scheme.

To ratify Cllr Ivor Davies and the Clerk's decision to sign the 2016/2017 agreement (there being no changes) to allow MBC to make payment of the 2016/17 grant of £14,014.

Item 5.5 Administrative changes by three banks.

Unity Trust Bank. To notify members that with effect from 4 June there will be a £6 per month charge for internet banking. This was not unexpected and members were aware when setting up the internet account that some charges might be bought in.

The Cooperative Bank. The Cooperative Bank will no longer take faxed instructions for payment. Payment of salaries and most bills have already been moved to Unity Trust Bank. Direct Debits and Standing Orders are being reviewed.

HSBC Bank. The Walderslade branch will close down on 22 July. The office has investigated the possibility of arranging to pay cash and cheques into the account via the Walderslade post office but this is proving to be problematic. If necessary the parish office will use the Cooperative Bank and make an internal transfer of funds between cost codes. The office is also investigating setting up debit card or paypal facilities however the parish council would be charged for such services.

Item 5.6 Contingency Funds.

In 2015/2016 a number of grants were awarded which for various reasons were not spent within that financial year. Permission is sought to have the grants carried forward to the 2016/2017 financial year. Advance notice is given that this may require some of the contingency fund budget to be vired across to the grants budget.

VVNR £2,250. Members approved a grant towards the purchase of ragstone etc. to refurbish paths and this was part of a project which also gained lottery funding. To comply with the lottery funding rules and also to ensure that the parish council ordered the work so that VAT could be reclaimed it was not possible to meet the end of year deadline. An order for £1,675 of ragstone and road plainings has just been submitted.

Sandling Village Hall £3,000. Members approved a grant towards the cost of replacing the hall floor. Unfortunately due to bookings at the hall this could only be undertaken in August 2017.

Friends of Boxley Warren £3,200. Members approved a grant towards improvements at the Warren but due to circumstances beyond the groups control it has not been possible to start/complete the work.

Conversion of 3 Charitable Trusts to Charity Incorporated Organisations £6,500.

Item 5.7 Opportunities for Investments.

The F&GP Committee is seeking to maximise the return from its reserves and will consider safe opportunities for investment. The parish office is managing the investments so that they mature around the same time this year

Investment accounts maturity dates	
Coop General Account	£27,767.98
Santander Investment Bond (matures Aug 2016)	£75,000.00
Barclays Bank	£64,638.25
Lloyds 3 mth (matures 05.08.16)	£57,296.53
Lloyds 12 mth (matures 11.08.16)	£25,000.00
Nationwide Beechen Hall 12 mth (matures Aug 2016)	£40,000.00

Nationwide Parish Council 12 mth
(matures Sept 2016)

£35,000.00

OTHER BANK ACCOUNTS (closing balances)

Date		
01.04.16	HSBC Beechen Hall	£23,479.12
22.04.16	Unity Trust Bank	£102,612.00
29.03.16	Unity Trust ALTO (prepaid debit card)	244.00

Opportunities.

The Public Sector Deposit Fund/CCLA.

This scheme is not covered by the Financial Authorities Compensations Scheme (£75,000 limit per bank) and so if members wish to consider investing some funds then it must amend its current investment policy.

Further details are enclosed.

Independent Financial Advisor. Burham Parish Council employs a Financial Advisor and has done so for a number of years. In March 2016 their large investment portfolio was attracting (approximately) 5 % of which 1% is commission for the advisor. It chooses low risk investment opportunities. However a check will be needed to see whether the advisor is covered by a compensation package. Burham PC were reviewing the employment of their advisor, they felt that they were not getting prompt replies etc. and a more in-depth investigation, with perhaps a presentation, by the current Burham PC advisor, can be arranged.

Both of the above schemes will have an impact on the way the parish council undertakes its accounts, primarily affecting the council at its end of year return but this would be an administrative issue.

Item 6. Internal Audit Report. Purpose of item: information and decision if required.

BOXLEY PARISH COUNCIL INTERNAL AUDIT REPORT 2015 - 2016

I would recommend that Members regularly check, as part of the internal auditing procedures, that the reports presented agree with the RBS records.

Approved Budgets:

The budgets approved by Members should be reconciled with the RBS records.

I found that a £40,000 contingency budget appeared under code 100 and also code 130.

Members had only approved one budget of £40,000 and the budget had been duplicated in the new system and shown on the manual reports produced by the Clerk.

This error was corrected whilst I was present.

Once reconciled the approved budgets should only be amended when virement between budgets or supplementary estimates are approved, and minuted, by Members.

End of year adjustments:

At the end of a financial year adjustments are made in the accounts to take into account any creditors, debtors and accruals.

Before closing the 2015-2016 accounts the adjustments brought forward from the old system for 2014-2015 should be checked and the procedure for dealing with the 2015-2016 end of year entries should be confirmed.

Sections 3.82-3.88 of the Governance and Accountability for Local Councils - A Practitioners' Guide (England) March 2014 gives details of how these adjustments should be treated.

Bank Reconciliations:

Regular bank reconciliations have been carried out on all accounts and there were no unexplained entries.

Value Added Tax:

The VAT records were accurate and up to date and returns submitted within the HMRC's deadlines.

Payroll:

The HMRC requirements for Real Time Information have been met and regular payments made to them in respect of PAYE and NI. Regular returns and payments have been made to NEST in respect of staff pension contributions.

Insurances:

The level of cover in respect of Employee Dishonesty is currently £404,250 and meets the recommended minimum level of cover.

Minutes:

All the Minutes inspected had been signed/initialled.

BOXLEY PARISH COUNCIL INTERNAL AUDIT REPORT 2015 - 2016

Precept:

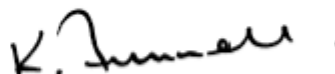
The 2016-2017 Precept was considered at the Finance and General Purposes Committee held on 12 January 2016 (Minute No. 6) and approved at the Full Council meeting held on 25 January 2016 (Minute No. 9)

Asset Register:

The Parish Council's Asset Register is up to date and the replacement values of assets are currently being reviewed for insurance purposes.

Financial Regulations:

The Financial Regulations have recently been reviewed and new regulations were adopted at the Council meeting held on 7 March 2016 (Minute No. 8)



**Kevin Funnell, F.M.A.A.T.
Independent Internal Auditor
17 March 2016**

Item 7. Annual Governance Statement. Purpose of item: decision.

Responsible Financial Officer's (RFO) briefing. Changes to the Governance and Accountability for Local Councils Practitioners Guide now require the Governance statement to be agreed at the beginning of the financial year. This statement indicates the systems and procedures the parish council has in place so that members can see that there is a sound system of internal controls and so can confidently adopt, with the chairman signing section 1, the Annual Return.

The responsible Financial Officer is now also required to sign the Annual Governance statement (section 1 page 2) of the return prior to the parish council receiving it. The emphasis is now on the RFO recommending to the council that it signs the Annual Return. In view of the change in emphasis and due to the parish council's Terms of Reference as RFO I am recommending to the F&GPC that the following Annual Governance statement is adopted.

The parish council adopted a statement for 2015/2016 last year. The following statement is for 2016/2017.

Boxley Parish Council Governance Statement for the Year ending 31 March 2017.

The system of internal control and audit in place at the Council for the year ending 31 March 2017 and up to the date of approval of the annual report and accounts accords with proper practice. Boxley Parish Council will undertake the following work and checks to ensure that the parish council complies with the End of Year Return – Section 1 Annual Governance Statement.

1. SCOPE OF INTERNAL AUDIT.

Boxley Parish Council (the Council) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and that it is used economically, efficiently and effectively¹.

In discharging this overall responsibility, the Council is also responsible for ensuring that 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 system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to:

- identify and prioritise the risks to the achievement of the Council's policies, aims and objectives;
- anticipate future changes to legislation, working practices etc. that will impact on the parish council and to identify any changes which require additional risk management and auditing;
- evaluate the likelihood of those risks being realised and the impact should they be realised; and
- manage these risks efficiently, effectively and economically.

Risk Assessments / Risk Management:

The Council carries out regular risk assessments in respect of actions and regularly reviews its systems and controls.

Internal Audit:

The Council has appointed an Independent Internal Auditor who reports to the Council on the adequacy of its:

- records
- procedures
- systems
- internal control
- regulations
- risk management
- reviews

The effectiveness of the internal audit system is reviewed annually.

External Audit:

The Council's External Auditor (with effect from 01.04.2013 LittleJohn LPP) submits an annual Certificate of Audit, which is presented to the Council.

The Council:

The Council has appointed a Chairman who is responsible for the smooth running of meetings and for ensuring that all Council decisions are lawful.

The Council reviews its obligations and objectives and approves budgets for the following year at its January meeting. At this same meeting the Council approves the level of precept for the following financial year.

The Council has appointed a Finance and General Purposes (F&GP) Committee which meets 6 times each year and monitors progress against objectives, financial systems and procedures, budgetary control and carries out regular reviews of financial matters. The Council has delegated some financial and audit powers to the Estates Committee which also meets 6 times per year. The minutes of the meetings of the F&GP Committee and the Estates Committee are received by the Council where an opportunity to comment on them is available.

The full Council meets a minimum of 10 times and Committees 6 or 12 times each year.

The full Council and Committees monitor progress against the aims and objectives, identified by their individual Terms of Reference, at each meeting. Such reviews are

¹ The Accounts and Audit (England) Regulations 2011.

supported by briefing papers and reports produced by the parish office, Councillors or Working Groups. The Clerk is responsible for ensuring that decisions or issues which impact on more than one committee are reported as necessary to ensure that all relevant parties are adequately briefed.

Individual committees are also responsible for monitoring their specific projects and budgets.

The Council carries out regular reviews of its internal controls (including 2 x Parish Councillor Audits annually), systems and procedures supported by the audits undertaken by the Independent Internal Auditor.

The Council acquired a General Power of Competence on 1 October 2012 and has renewed this power, by resolution, on 9 May 2016.

Clerk to the Council / Responsible Financial Officer:

The Council has appointed a Clerk to the Council who acts as the Council's advisor and administrator. The Clerk is the Council's Responsible Financial Officer and is responsible for administering the Council's finances. The Clerk is responsible for day to day compliance with relevant laws and regulations and for managing risks. The Clerk also ensures that the Council's procedures, control systems and policies are adhered to.

Payments:

All payments are reported to the Council for approval. Each cheque, Direct Debit, Standing Order, BACS or internet payment must be authorised by two members of the council who have checked the relevant invoice.

Payments made by the ALTO debit card (preloaded to a maximum of £250) are also reported to the council for approval.

2. INDEPENDENCE.

Membership of the F&GP Committee consists of the Chairs and Vice-Chairs of the full Council and each of its committees plus two other councillors. With up to eight members and with all committee agendas being supplied to the 15 members of the Council it is felt that there is sufficient independence in and scrutiny of the work of the F&GP Committee.

The F&GP Committee receives the 2 x Independent Internal Audit reports, the 2 x Parish Councillor Audit reports and the External Auditor's response to the End of Year Accounts. Reports and recommendations are submitted to the full Parish Council.

Parish Councillor Audits are undertaken by different councillors, nominated at a full Council meeting and includes non-members of the F&GP Committee.

The Independent Auditor is independent of the Council, its financial decision making, management and control.

Parish councillors are encouraged to question the financial systems, controls, payments etc.

All Council and committee agendas have an item for members to declare interest, lobbying, dispensations and predetermination; the item also carries a reminder that they must keep their Register of Interests up to date. Members are reminded three times per year that they must not sign blank cheques or authorisation letters, that they need to check cheques or other payment authorisations against invoices before signing and that cheque stubs need to be initialled by both signatories.

The Council has a Dispensation system. Currently Councillors serving on the Estates Committee who also rent Council allotments have been awarded dispensations to discuss and vote on matters relating to Dove Hill Allotments.

3. COMPETENCE.

The Clerk/RFO is qualified to Certificate of Higher Education in Local Policy and in September 2012 passed CiLCA's Section 7, General Power of Competence which enabled the Parish Council to pass the relevant resolution to obtain the power.

The Internal Auditor is a Fellow Member of the Association of Accounting Technicians.

The Council has a training strategy and a training budget and encourages all members to take advantage of training opportunities.

The F&GP Committee is required (via delegated powers) to undertake monitoring of the Council's income/expenditure and policy and procedures relating to financial issues.

4. RELATIONSHIPS.

The Council works to Standing Orders and Financial Regulations in all financial matters. It has systems and procedures to deal with tenders and issuing of work authorisations/contracts.

The Kent Code of Conduct legislation has been adopted by the Council.

Audit checks by the Independent Auditor and Parish Councillors ensure that these standards are maintained and adhered to.

The Council aims to work in an open and accountable way and publishes its income, expenditure, budget and audit on its website for public scrutiny.

Item 8. Annual Return for the Year Ended 31 March 2016. Purpose of item: decision.

Due to the change in the guidance, see briefing at item 7, I ask the F&GPC to consider the enclosed information and recommend to the parish council that the Annual Return for the Year Ended 31 March 2016 be signed.

This year it has been decided to put back into the system the creditor amount of £32,260, mainly allocated for the pedestrian crossing and speed reduction. This action has had the effect of reducing the 2015/16 Annual Expenditure as shown on the End of Year Return, the Balance and Income and Expenditure Reports, but it will ensure that the parish council's reports and end of year accounts will in future be a true and accurate reflection of expenditure in that year.

A copy of the return is enclosed for all members and this includes an explanation of the variances of over 15% on the previous years accounts.

Item 9 Policies and procedures reviews

Item 9.1 Health & Safety Policy.

As the Clerk and Assistant Clerk are attending H&S courses in June, it is recommended that the review be deferred to the July meeting to take advantage of the training.

Item 10 Personnel matters. Purpose of item: Decision

10.2 Downs Mail Delivery. The delivery of the Downs Mail in the North Ward is undertaken by one volunteer and two/three paid volunteers. Since the start of the delivery (8 years ago) the paid volunteers have been paid £20 per route (approximately 200 properties). Members are asked to consider increasing the amount paid to the deliverers.