

SNETTISHAM PARISH COUNCIL

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SUBJECT TO APPROVAL – MAY CONTAIN INACCURACIES **Minutes of the extraordinary meeting of Snettisham Parish Council** **held on 21st September 2011 at 7.30 p.m. In the Methodist Church Hall**

Present:

Cllr. E Langford – presiding

Cllr. J Bailey, Cllr. J Bateson, Cllr. P Bradshaw, Cllr N Burchett, Cllr R Clark, Cllr E Fountain, Cllr. M Fountain, Cllr. D Snelgrove, Cllr E Steinacker, Cllr M Steinacker, Cllr. B Wardlow

Also in attendance: Mrs Gay Watt, Financial Advisor and approximately 25 members of the public,
Minutes taken by Ms R Kitchen (Clerk Consultant)

11.09.20 Apologies for Absence

Apologies were accepted from Borough Cllrs David Johnson and Zipha Christopher and Cllr Devereux

11.09.21 Declarations of Interest

Cllr Bradshaw and Bailey both declared a personal interest in item 9) Allotments.

11.09.22 Report from external auditor

It was explained that Mazars, the external auditor, had not signed off our last two years of account. This has now been done. Unfortunately, due to the £30,000 loan, the council's turnover had passed the government's £100,000 threshold for smaller councils, and Mazars would now have to charge the higher fee of £550 per year for these two accounts.

a) 2009/10

The parish council had been given special approval to have these signed off after the statutory date.

b) 2010/11

These had been delayed pending further information but were now completed.

The following points should be noted:

- i. This is the end of the public scrutiny period
- ii. The parish council must post a conclusion of audit notice for the public
- iii. The council must decide on an action plan for its financial governance, and engage an internal auditor as soon as possible, not wait till the end of the financial year.

The accounts were duly noted.

11.09.23 Review of financial procedures

a) Internal audit/controls

Gay Watt presented the following report:

Internal Audit and Internal Checks

1 Requirements

(a) External Audit

The Council is required to certify on the Annual Governance Statement it provides for the external auditor that 'it has maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.' It also has to certify that it has 'maintained throughout the year an adequate and effective system of internal audit of the council accounting records and control systems' and that it has taken appropriate action on all matters raised in reports from internal and external audit.

(b) Financial Regulations

The Council's Financial Regulations specify that at least once a year, prior to approving the annual return, the Council shall conduct a review of the effectiveness of its system of internal control which shall be in accordance with proper practices, as set out in guidance issued in Governance and Accountability in Local Councils in England and Wales – a Practitioner's Guide published jointly by NALC and SLCC (which can be downloaded from their website).

The Council's Responsible Finance Officer (RFO) has responsibility for ensuring that there is an adequate and effective system of internal audit of the Council's accounting, financial and other operations in accordance with proper practices.

Financial Regulations also specify that an Internal Auditor shall be appointed by and shall carry out the

work required by the Council in accordance with proper practices and that the Internal Auditor, who shall be competent and independent of the operations of the Council, shall report to the Council in writing, or in person, on a regular basis with a minimum of one annual written report in respect of each financial year. In order to demonstrate objectivity and independence, the internal auditor shall be free from any conflicts of interest and have no involvement in the financial decision making, management or control of the Council.

2 Current Situation

Internal audits were carried out on the 2009/2010 and 2010/2011 accounts by Roger Canwell at the end of those financial years and after the accounts had been produced. No interim audits were carried out during those years and, so far, no internal audits have been carried out during the current year. Members have periodically checked periodically that bank reconciliations accord with balances on bank statements, but no other internal checking of financial accounts has been carried out. However, rigorous and detailed checks of income from the car park are carried out by a volunteer (an ex councillor) who makes sure that income collected tallies with tickets sold and that the income is banked on a regular basis and recorded on a spreadsheet.

3 Recommendation

It is recommended that:

- (a) The Council appoints an internal auditor without delay and that it draws up an audit checklist to be used by the internal auditor on a regular basis, either quarterly or half-yearly as determined by the Council.
- (b) The internal auditor reports his findings to the Council, either in person or in writing, at the conclusion of each audit.
- (c) Members of the Council are encouraged to continue to be involved in internal checking procedures and verification of bank reconciliations.
- (d) The practice of reconciling car park income to tickets sold and ensuring the income is banked promptly and recorded is maintained, and is overseen by the RFO.

Gay Watt drew the council's attention to the four recommendations, and added a further one:

- (e) That the type of accounting should be changed to the more comprehensive income and expenditure method. This could be actioned immediately to increase the detail, but could only be officially changed at the end of the financial year.

This change in accounting method was proposed by Cllr E Steinacker, seconded by Cllr M Fountain and approved unanimously. **Action: RFO**

Cllr E Steinacker proposed that Roger Canwell be appointed as external auditor as soon as possible and be invited to attend at least one meeting before the end of the financial year. This was seconded by Cllr Bradshaw and carried unanimously. **Action: Clerk Consultant**

b) Internal checks

Councillors had previously agreed that *'The lead officer will also act as 'internal checker', regularly inspecting bank statements, bank reconciliations and cheque payments.'* (Councillor briefing paper: 'Lead Councillor' arrangement, May 2011) It was agreed that this should be extended to include further councillors and that Cllrs E Steinacker, Snelgrove, Clark and Bateson should make regular random checks in the office of a variety of financial practices. Councillors agreed that this should be carried out in pairs with another councillor, so all could build knowledge of the council's financial procedures.

c) Responsibility of RFO

Gay Watt explained that the RFO must oversee and approve all finances. This was solely the responsibility of the RFO, and all councillors must go through the RFO for any financial matters.

d) Finance meetings

It was proposed by Cllr Clark that a Finance Committee be formed of all councillors, with its own chairman and vice chairman. This Committee would meet once a month, between full council meetings and report back to full council meetings. It would have no budget and all spending must be referred to full council. This was seconded by Cllr E Steinacker and carried unanimously. The Standing Orders would be amended to reflect this change. **Action: Clerk Consultant/RFO**

The chairman thanked Cllrs Clark and Bateson for all their efforts with the finances, and a vote of thanks was made to Gay Watt for her help in regularising the accounts.

11.09.24 Budget monitoring

a) Six month report

This report was presented by Gay Watt. It was agreed that it would be helpful to include money already committed as well as actual spend, as well as 'at risk' moneys such as the possible £10,000 cost of the employment tribunal, and projected income such as the £7900 from Barclays Bank, plus a possible £3,500 for a standing order.

b) Beach toilets

It was explained that although the money for this project was from donations, not from the precept, the council was still responsible for its management. £2,000 would shortly be received from the Borough Council towards costs. Ken Hill had allowed the costs of the toilet consumables to be offset against the car park income.

11.09.25 Accounts for payment

Summary of receipts and payments at 21/9/11

The following were presented to the council for payment.

| RECEIPTS TO 2 SEP 2011 | | Amount |
|-------------------------------|------------------------|-----------------|
| Date | Description | £ |
| 22 Aug 2011 | Car parks – PIB 100523 | 73.50 |
| 22 Aug 2011 | Car parks – PIB 100522 | 186.50 |
| 22 Aug 2011 | Car parks – PIB 100524 | 264.00 |
| 24 Aug 2011 | Car parks – PIB 100525 | 243.00 |
| 24 Aug 2011 | Car parks – PIB 100527 | 321.00 |
| 24 Aug 2011 | Car parks – PIB 100526 | 453.00 |
| 25 Aug 2011 | Car parks – PIB 100528 | 57.00 |
| 30 Aug 2011 | Car parks – PIB 100531 | 49.50 |
| 30 Aug 2011 | Car parks – PIB 100530 | 70.50 |
| 30 Aug 2011 | Car parks – PIB 100529 | 217.50 |
| 1 Sep 2011 | Car boot – PIB 100552 | 26.04 |
| 1 Sep 2011 | Car parks – PIB 100535 | 93.00 |
| 1 Sep 2011 | Car parks – PIB 100533 | 210.00 |
| 1 Sep 2011 | Car parks – PIB 100534 | 294.00 |
| 1 Sep 2011 | Car parks – PIB 100532 | 388.50 |
| 1 Sep 2011 | Car boot – PIB 100551 | 1,034.51 |
| | Total | 3,981.55 |

PAYMENTS

| | Net | VAT | Gross | Cheque | |
|-------------|--|------------|--------------|---------------|---------|
| | £ | £ | £ | | |
| 22 Aug 2011 | BCKLWN – trade waste | 63.06 | 12.61 | 75.67 | D debit |
| 22 Aug 2011 | BCKLWN – bus.rates - office | 102.00 | | 102.00 | D debit |
| 31 Aug 2011 | Utility Warehouse–phone/Bband | 58.54 | 11.70 | 70.24 | D debit |
| 21 Sep 2011 | Society of Local Council Clerks – jobfinder advertisement | 50.00 | | 50.00 | 104645 |
| 21 Sep 2011 | Carter Cabin Hire – toilets rent | 253.00 | 50.60 | 303.60 | 104646 |
| 21 Sep 2011 | A Gascoigne – power to toilet block | 59.79 | | 59.79 | 104647 |
| 21 Sep 2011 | Heronwood Landscapes-cut grass | 166.00 | | 166.00 | 104648 |
| 21 Sep 2011 | Terry Wilshin Ltd – employment advice | 242.00 | | 242.00 | 104649 |

There was a query about the payment to Heronwood Landscapes which seemed high. It was agreed not to pay this until the Heronwood contract had been checked by Cllr Bradshaw

And extra cheque to British Gas for £2234.08 was to be added. This was a payment that had been approved at an earlier meeting. The cheque had been signed and sent, but had later been cancelled as it was believed to be missing in the post. This was a replacement for that cheque. Cllr Clark proposed that these five cheques be signed. This was seconded by Cllr Bailey and carried unanimously.

11.09.26 Capital programme

This was offered as a working paper to help prioritise activities. It was agreed that the Planning and Amenities groups would discuss and amend the list which would then be passed to the Finance Committee. It was agreed it would be helpful to show the sources of donations.

11.09.27 2012/13 Precept framework – initial discussion

The precept had to be completed by January 2012, so it was important to begin working on it as soon as possible. It was proposed by Cllr Clark that the budget monitoring report be extended as outlined in item 11.09.24 above and used as the basis for construction of the precept, to be started at the next Finance Committee in October. This was seconded by Cllr E Steinacker and carried unanimously.

11.09.28 Ken Hill Lease agreements

a) Allotments

The annual lease had expired at the end of August, and an invoice had been prepared. Ken Hill were making some small changes to the lease. Once the new lease was received, and an agreement had been reached with the Allotment Association, the invoice could be paid.

b) Beach Car Park

The annual lease was due for renewal in November. After discussion it was agreed this would be reported at full council.

c) Chalk Pit

This lease was not currently available. Ken Hill was looking for a copy. Cllr Wardlow suggested contact land agent Robin Landsdown in King's Lynn for more information.

11.09.29 Parish Council Charities/Trusts

Townsland or Chalkpit Charity. The charities commission were now involved and it was necessary to clarify the accounts. The trust had been closed by the charities commission in Aug 2009 due to lack of records produced but re-opened electronically by Ms Boughen in Oct 2009. Many named trustees were unaware that they were trustees.

There were four bank accounts for the charity and in 2007 £4,300 was withdrawn from these accounts. £2,300 was paid into the parish council's account which had been some £3,000 on the red at that point. The chairman requested that anyone with any information about the Townsland Trust contact the clerk.

Watermill Trust Cllrs Johnson and Christopher had reported that a letter will be sent from Sybil Melton passing the investigation back to the council. Cllr Wardlow felt this was not correct as this trust had never been the responsibility of the council.

11.09.30 Suspension of Meeting for Public Participation

Resolved to suspend meeting to invite members of the public to speak for 10 minutes

- In response to a query about the liability of trustees, and whether or not indemnity insurance was in force at the time. The chairman suggested a working group be formed to look into this matter.
- It was questioned whether the council had sufficient funds for the remainder of the financial year. Even taking the at risk monies into account a break-even situation was anticipated.
- Regarding the unfair dismissal claim it was suggested past employees who worked alongside Mr Jackson be contacted for further evidence.
- An article had appeared in the Lynn news suggesting the council had in some way committed to providing toilets in the future. The chairman assured all that this was not the case, and that the present toilets were seen as a one-off venture by the council for this year only.

11.09.31 – Date of next meeting – Wednesday 5th October at 7.30 p.m. at the Methodist Church Hall