

TWYFORD PARISH COUNCIL

Minutes of a meeting of the Finance Committee

held on **Monday** 10th October 2016 at 7.30 p.m. in the Pavilion at Hunter Park

Present

Cllr Watson - Chair
Cllr Lawton
Cllr Sellars
Cllr Wheeler

Apologies & Absences

Cllr Corcoran
Cllr Forder-Stent
Cllr Mitchell

In Attendance

T Bronk - Clerk

Item	Business transacted
23/16	Apologies for absence and declarations of interest
	An apology for absence from Cllr Forder-Stent was accepted. Cllr Watson, Cllr Sellars and Cllr Wheeler declared a personal interest in any matters concerning the Parish Hall because of their role on its Management Committee; Cllr Sellars also declared an interest in the Twyford Playgroup because of his role as its Treasurer.
24/16	To approve and sign as a true record the minutes of the meeting held on 15th September 2016
	The previously circulated minutes of the Finance Committee meeting dated 15 th September 2016 were considered. Resolved "The Minutes of the meeting held on 15 th September 2016 are approved as an accurate record of the meeting". Proposed by Cllr Sellars, seconded by Cllr Lawton and carried unanimously.
25/16	Update on matters arising from the minutes of the meeting held on 15th September 2016
	The status of actions from previous meetings (Annex 1) was noted.
26/16	Public Participation - To receive questions from the members of the public
	No members of the public were present.
27/16	Annual Audit of Accounts
27.1/16	To note the completion of the audit of accounts for the year 2015/16 and requirement for its publication before 30 September; and to recommend to the Full Council that the Annual Return and Audit Certificate are approved and accepted.
	Cllr Watson reported that the audit of accounts for the year 2015/16 was complete and that there was nothing reported by the External Auditor. The formal Notice of Completion of Audit was placed on the Parish website and on all parish notice boards prior to 30 th September, as required, together with the appropriate statements. It was noted that the Annual Return as amended during the audit process had been submitted to the Full Council and the changes approved. Resolved: Approval and acceptance of the Annual Return and Audit Certificate shall be recommended to the Full Council. Proposed by Cllr Watson, seconded by Cllr Lawton and carried unanimously.
27.2/16	To agree the timetable for the audit of accounts for the year 2016/17.

	<p>The Committee noted the possible dates between 5th June and 3rd July 2017 for public inspection of the accounts for the year to 31st March 2017 and submission for external audit.</p> <p>Resolved: The Clerk shall liaise with the existing Internal Auditor and agree a timeslot the audit process and inspection of accounts, for notification to the External Auditor.</p> <p>Proposed by Cllr Watson, seconded by Cllr Lawton and carried unanimously.</p> <p><u>Action:</u> Clerk to agree the timeframe for the internal and external audit of accounts for the year ended 31 March 2017.</p>
27.3/16	To agree the Client Satisfaction Survey for the 2015/16 audit by BDO LLP.
	<p>Cllr Watson reported that the audit process had run smoothly and all communication with the external auditor had been satisfactory.</p> <p>Resolved: The Clerk shall complete the Client Satisfaction Survey for the 2015/16 audit by BDO LLP and reflect that overall the audit was satisfactory.</p> <p><u>Action:</u> The Clerk is to complete and submit to BDO LLP the Client Satisfaction Survey for the 2015/16 audit.</p>
28/16	VAT
	To note the completion of the review of previous VAT claims and to approve the adjustment to the return for the period to 30 th September 2016.
	<p>Cllr Watson referred to the following matters that were addressed by the review of the Council's VAT records:</p> <ol style="list-style-type: none"> 1. VAT had not always been charged on sporting hires where this was required, the Parish will now incur the cost of the VAT payable, (approximately £1,900). 2. VAT had been charged on some lettings of the Pavilion Community Room (a General Purpose Room) for non-sporting uses. This will be reclaimed from HMRC and the two organisations affected reimbursed (approximately £1,100). 3. Some VAT reclaims were made for transactions on behalf of the Village Hall but Village Hall contributions for the goods or services purchased were not offset, (approximately £4,400 over-claimed will be deducted from the claim for the period to 30th September). 4. The change to Cash Accounting required a review to ensure no double counting. There were no items from 2015/16 that were also included in the Cash Accounting records of 2016/17. 5. Receipt of refunds for claims required to be submitted quarterly during 2015 were checked against bank statements, this resulted in receipt of approximately £3,000 and an outstanding claim for approximately £1,000 is to be included in the return for the period to 30th September. <p>The above adjustments fall well within VAT requirements that limit corrections to VAT returns. The overall effect of the above adjustments means that the claim to be submitted for the period to 30th September will be reduced from £6,165.16 to £1,999.76.</p> <p>It was noted that the review had taken external advice that reached a different conclusion to advice previously taken by the Council with regards recovery of VAT on payments made for Parish Hall goods and services for which the Parish Hall had contributed.</p> <p>Resolved: The adjustments to the VAT return for the period to 30th September 2016 that are recommended by the Clerk (and Responsible Financial Officer) are approved.</p> <p>Proposed by Cllr Watson, seconded by Cllr Lawton and carried unanimously.</p>
29/16	Financial Year 2016/17
29.1/16	To review receipts and payments for the half year to 30 th September and to note their comparison against the budget and previous year outturn.

	<p>The summary of receipts and payments for the second quarter and the half year to 30th September was discussed. It was noted that the 'cash accounting' basis adopted for 2016/17 does not enable existing expenditure commitments (e.g. for services received but not yet invoiced or grants offered but not yet paid) to be reflected in the numbers. Accordingly, it is important to also read notes to the accounts in order to identify the impact of such commitments on the reported bank balance. Due to the contractual arrangements for the parish hall receipts and payments were materially greater than the previous year's actual income and expenditure and the current year budget.</p>
29.2/16	To consider and agree the forecast for the remaining 6 months and outcome for the financial year 2016/17.
	<p>Cllr Watson referred to each of the categories of receipt and payment and to the basis on which the forecast for the remainder of the year had been made. Some categories, such as receipt of the precept or payment of audit and insurance were final and represented the final outturn, others such as the costs of electricity for the pavilion or the costs of street lighting and income attributable to the water meadows is more uncertain and used estimates based on previous year expenditure or the amount budgeted for 2016/17. Due to the contractual arrangements for the parish hall and the costs of the Twyford Neighbourhood plan beginning to exceed the grants received the forecast shows a deficit of approximately £15,000; which is adequately covered by the Council's existing reserves.</p>
30/16	Budget for Financial Year 2017/18
	To consider and agree any specific financial requirements for 2017/18; and to agree the basis for preparation of the first draft of the budget for 2017/18.
	<p>Cllr Watson referred to each of the categories of receipt and payment and to the basis on which the budget for the year 2017/18 had been prepared. It was noted that receipts from Hunter Park are heavily dependent on a very few regular users and that (with the exception of the Parish Hall expenditure in 2016/17) it is the main source of the Council's expenditure. The Budget provides for existing patterns of expenditure to be maintained but with the exception of the Twyford Neighbourhood Plan had not yet provided for any other major additional expense.</p> <p>Following a discussion about the standard of play equipment at Northfields and Hunter Park and the need to incur higher amounts of expenditure from time to time on tree and other ground works and related equipment, establishment of a dedicated reserve fund was discussed.</p> <p>Resolved: The forecast for 2016/17 and budget for 2017/18 shall include a sum of £10,000 p.a. for the purposes of establishing and building up a reserve fund for the preservation of Northfields and Hunter Park. Proposed by Cllr Lawton and seconded by Cllr Watson and carried unanimously.</p>
31/16	2017/18 Local Government Finance Settlement Consultation
	To discuss the 2017/18 Local Government Finance Settlement Consultation issued in September 2016 and to recommend to the Full Council the council's response, in particular, to questions 6 and 7 where the proposals seek to limit the ability of all parish councils to raise their precept by no more than 2% pa.

	<p>Cllr Watson referred to a communication from the Hampshire Association of Local Councils that had been circulated. It explained the basis on which larger authority's ability to increase their precept would be restricted and warned that due to the recent percentage increases in precepts by medium and small authorities a proposal to apply the restrictions to all authorities was being consulted on.</p> <p>Larger authorities seeking a precept increase of more than 2% will be required to hold a referendum and a majority of those voting will be required.</p> <p>It was noted that for a council such as Twyford with a precept of £71,000, a 2% precept restriction would prevent any major expenditure that is not already provided for; and that the costs of holding a referendum would be such as to necessitate a considerable uplift to the increase required.</p> <p>Resolved: The Clerk shall draft response to the consultation for consideration by the Full Council. The draft shall refer to the inappropriateness of the proposals for small and medium authorities, in particular because of the impact of the costs of holding a referendum; and that no percentage cap should be imposed. If one must be adopted then a cap should be no less than 10%.</p> <p>Proposed by Cllr Lawton, seconded by Cllr Watson and carried unanimously.</p> <p><u>Action:</u> Clerk to prepare and circulate a draft response to the 2017/18 Local Government Finance Settlement Consultation</p> <p><u>Action:</u> Individual Councillors to respond to the consultation in their personal capacity.</p>
32/16	To raise any items for the next agenda and agree the date of the next meeting
	<p>The next meeting shall be scheduled for Thursday 16th March I the Pavilion.</p> <p>The meeting closed at 9.30pm</p>

Tony Bronk - Clerk to the Parish Council

ANNEX 1

Ref	Owner	Action to be taken	Target Date <i>[Revised]</i>	Action Taken <i>[Update]</i>	Status At 10th October
5.4/16	Clerk	Prepare a Financial Risk Assessment as at 30 September 2016 for submission to the Finance Committee in October.	6 October	Review and amendment of existing Financial Risk Assessment has commenced	<i>In progress</i>
6.4/16	Clerk & Finance Chair	The asset register is to be reviewed by the Clerk, with the assistance of Councillors, and its status is to be reported to the Finance Committee in September.	15 Sept <i>January 2017</i>	In progress and on the Agenda for September meeting	<i>On Agenda</i>
6.4/16	Clerk	The Clerk is to ensure the VAT return as at 30 June and thereafter is correct.	7 July	VAT review in progress	<i>On Agenda</i>
15/16	Cllr Watson	Seek an estimate for future insurance purposes of the replacement cost the Pavilion	31 Oct. <i>17 Jan 17</i>	In progress	<i>In progress</i>
15/16	Clerk	Liaise with the Council's insurance broker to add the following assets to the list of insured assets: Cricket Sight Screens (and Covers if Twyford Cricket Club have not insured them), a Defibrillator, Outdoor Gym, Mini Goal Posts and Bench; and ascertain the amount of the revised premium.	30 September	Items reported to the insurer. No premium adjustment was made.	Closed