

**MINUTES OF THE MEETING OF THE FINANCE & GENERAL PURPOSES COMMITTEE
HELD ON TUESDAY 26TH APRIL 2005 AT 11.00 a.m.
AT THE PAVILION, MANOR FIELD**

Present: Cllr Mr C Alford (Chairman)
Cllr Mr A Barnett
Cllr Mr J Gaywood
Cllr Mr B Ramsay

In attendance: Mrs J Hoad (Clerk)
3 member of the public

The Chairman of the Finance and General Purposes thanked Cllr Ramsay for standing in as Chairman during his recent absence.

1. Apologies

Apologies for absence had been received from Cllr Mr L Abraham.

2. Declarations of Interest

There were no declarations of interest.

3. Minutes

RESOLVED: That, the minutes of the meeting of the Finance and General Purposes Committee held on 24th February 2005 be approved and signed as a correct record.

4. Accounts 2004/05

It was reported that the Council had received notice from the Audit Commission that the Annual Return for the financial year ending 31st March 2005 should be returned by 13th June 2005 with the following documentation; (1) a completed annual return, (2) financial year end bank reconciliation and (3) an explanation of any significant variances in the statement of accounts.

The Audit Commission has informed the Council that it will be undertaking a basic audit on the accounts. However, as the Council's annual income in the year 31st March 2005 was greater than £100,000, the following additional information will be required; (1) a copy of the budget for the audit year ended 31st March 2005, together with a copy of the minutes of the Council meeting where the budget was considered and approved and, (2) copies of all approved minutes for June 2004, excluding any planning minutes.

The Council's internal auditor will be undertaking an internal audit of the Council's accounts on 20th and 21st June 2005 and therefore section 4 of the Annual Return, which is due to be completed by the internal auditor, will not be undertaken until after the date set by the Audit Commission. This being the case, the Audit Commission has agreed that the date for the return of the above documentation may be extended to the end of June 2005.

The notice of appointment of date for the exercise of electors' rights was displayed on the Council's notice boards on 31st March 2005, advertising the date of 13th June 2005 as the date on or after which interested parties may exercise their rights under the Audit Commission Act 1998 and the Accounts and Audit Regulations 2003.

The Committee examined a financial report setting out the payments and receipts made by the Council from 1st April 2004 to 31st March 2005, income and expenditure account,

balance sheet, year end working documents, creditors and debtors and the year end reconciliation.

The Committee considered the completion of Section 2 of the Annual Return, which requires the Council to give a number of assurances relating to its accountability and internal controls.

RECOMMENDED: That,

(1) the accounts for the year ended 31st March 2005, as set out in the income and expenditure account, balance sheet, bank reconciliation at 31st March 2005, working documents identifying last years and this years debtors and creditors and Section 1 of the Annual Return – The Statement of Accounts, attached as appendix 1 to these minutes, be approved and adopted by the Council,

(2) the statement of assurance be approved, as set out below:

“We acknowledge as the members of Hartley Parish Council our responsibility for the preparation of the statement of accounts and for the council’s internal controls, and confirm, to the best of our knowledge and belief, with respect to the council’s statement of accounts for the year ended 31 March 2005 in section 1 that:

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| 1. We have approved the statement of accounts which has been prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices. | Yes |
| 2. We have maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness. | Yes |
| 3. We have taken all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice which could have a significant financial effect on the ability of the council to conduct its business or on its finances. | Yes |
| 4. We have provided proper opportunity for the exercise of electors’ rights in accordance with the requirements of the Accounts and Audit Regulations. | Yes |
| 5. We have carried out an assessment of the risks facing the council and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required. | Yes |
| 6. We have maintained an adequate and effective system of internal audit of the council’s accounting records and control systems. | Yes |
| 7. We have taken what we consider to be appropriate action on all matters raised in previous reports from the internal and external auditors. | Yes |
| 8. We have considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year end, have a financial impact on the council and, where appropriate have included them in the statement of accounts.” | Yes |

5. Parish Office

The Committee considered a progress report on the relocation of the Parish Office in Hartley Library.

RESOLVED: That, (1) the report be received and noted, and the Clerk's actions be confirmed and, (2) the Clerk, in consultation with the Chairman and Vice Chairman of the Finance and General Purposes Committee, be authorised to agree any issues that may arise in respect of the completion of the lease.

RECOMMENDED: That, (1) the expenditure of £99.00 plus VAT to move the incoming telephone line from the existing Parish Office to the front of the building be approved and (2) the purchase of two new telephones and a fax machine, be approved.

6. Insurance

The Committee examined a report on the invitation to renew the Council's insurance policy from Allianz Cornhill, which included new arrangements for the technical inspection of the Council's play equipment and the exclusion of protection for the Council's computer equipment against failures due to operator error, viruses, hacking, malicious person and failure of external networks. The Committee questioned whether it would be prudent for the Council to insure against the fitting out costs of the Parish Office in the event of a fire.

RESOLVED: That, (1) the report be received and noted, (2) a comparative quotation be sought from Zurich Municipal for consideration by the Council in advance of next year's invitation renewal and, (3) quotations be sought to undertake a valuation, for insurance purposes, of the rebuilding costs of Manor Field Pavilion and the Chairman's chain of office.

RECOMMENDED: That, the invitation to renew the Council's insurance policy with Allianz Cornhill, including the new arrangements in respect of the technical inspection of the Council's play equipment and computer equipment, at a cost of £1,905.78, be accepted.

7. Assets Register

The Committee reviewed the Council's Asset Register.

RECOMMENDED: That, the Assets Register, attached as appendix 2 to these minutes, be noted.

8. Financial Risk Assessment

The Committee reviewed the Council's Financial Risk Assessment.

RECOMMENDED: That, the financial risk assessment attached as appendix 3 to these minutes, be approved.

9. Purchase of land at Manor Field

The Committee considered a report on recent correspondence received from the landowner's agent in respect of the purchase of land at Manor Field. The Committee was somewhat surprised that the landowner had failed to understand the Council's wish to purchase two strips of land at Manor Field, despite the fact that the Council's position had been made clear at a meeting held in March 2004 with the landowners and confirmed in subsequent correspondence to the landowner and latterly to his land agent. Furthermore, the Committee expressed its concern that the current negotiations had been unsuccessful as a result of the landowner's failure to respond to the Council's offer to purchase both strips of land, including the entrance way, for a sum of £10,000.

RESOLVED: That, (1) the report be received and noted and, (2) the Clerk's actions be confirmed.

10. Entrance at Manor Field

The Committee considered a report on recent correspondence from the owner of the gate at Manor Field expressing his view that the Council was responsible for the maintenance of the gate and subsequent advice received on the matter from the Council's solicitor.

RESOLVED: That, the report be noted and the matter be investigated further.

11. Integrated Kent Franchise

The Committee considered a brochure received from DSB (Danish Railways) who, in partnership with Stagecoach Group PLC is one of the four companies bidding for the railway franchise covering the Kent region, in which it outlines the companies approach to operating rail services on the routes in Kent. The Committee noted that in March 2004 the Council had responded to a consultation document issued by The Strategic Rail Authority (SRA), entitled "Integrated Kent Franchise – Train Service Specification", stating that whilst it welcomed the SRA's franchise proposition in terms of its trains service specification, the Council had concerns over the condition and facilities available at Longfield Station.

RECOMMENDED: That, the DSB be informed of the Council's views expressed on the SRA's consultation document, "Integrated Kent Franchise – Train Service Specification", and furthermore DSB be informed that it is the Council's view that, whichever company is appointed to operate the Kent franchise, they should address the concerns expressed by the Council in respect of the condition and facilities at Longfield Station.

12. Donations

The Committee considered a number of requests for donations from local charitable organisations.

RECOMMENDED: That, in accordance with powers under Section 137 of the Local Government Act 1972, (1) a sum of £75 be donated to the Ellenor Foundation, (2) a sum of £75 be donated to the Lions Hospice, (3) a sum of £100 be donated to Rural Age Concern Darent Valley, (4) a sum of £50 be donated to West Kent Mediation and, (5) a sum of £50 be donated to the Kenward Trust.

13. Clean Neighbourhoods and Environment Bill

The Committee considered a letter from the Minister for Rural Affairs and Local Environmental Quality informing the Council about proposed new legislation, the Clean Neighbourhoods and Environment Bill, introduced into Parliament on 7th December 2004, which when enacted would increase Parish Council powers to issue fixed penalty notices for litter, dog control, graffiti and fly posting. The Committee expressed some concern as to how these new powers invested in Parish Councils to issue fixed penalty notices for certain anti social behaviour could be implemented.

RESOLVED: That, the letter be noted.

14. Elective Orthopaedic Services

The Committee briefly considered a consultation document, "Shaping your local health services. The Future of local orthopaedic service – Help us decide". However, the document referred to proposed services to be provided by Primary Health Care Trusts outside the area covered by the Dartford, Gravesham, and Swanley Primary Care Trust which is the health service provider for residents of Hartley, and therefore it was considered inappropriate for the Council to respond to the document.

RESOLVED: That, no further action be taken.

15. Admission of the public and press

RESOLVED: That, in view of the confidential nature of the business about to be transacted, it is advisable in the public interest that the public be temporarily excluded and they be instructed to withdraw.

Members of the public withdrew from the meeting at 12.45 p.m.

16. Assistant Clerk

The Committee reviewed the salary of the Assistant Clerk, in light of the advice received from the Society of Local Council Clerks in respect of salaries for Deputy and Assistant Clerks under the terms and conditions of the new national agreement.

RECOMMENDED: That, (1) a range of salary scales from Spinal Column Point (SCP) 16 to 21 be adopted for the position of Assistant Clerk and that the Assistant Clerk be placed on SCP 17 with effect from 1st April 2005, (2) further consideration be given to the Assistant Clerk's current contract of employment and, (3) a staff appraisal scheme be developed and implemented for all members of staff.

17. Date of the next meeting

To be confirmed.

The meeting closed at 1.15 p.m.

Signed:.....
Chairman of F & G P Committee

Date:.....

Inventory of Land and Property owned by Hartley Parish Council

Ref No	Description	Title no	Location	Date acquired	Purchase Cost	Acreage	Value	Disposal
001	Public Open Space	K299922 K219326 K155120 K152933	Woodland Avenue	1961 - 68	£14,900	1.27	Nil	
002	Public Open Space	K480016	Chantry Avenue	1978 - Dedicated by developer	Nil	1.5	Nil	
003	Public Open Space	K473289	Gorse Wood	1978	£1.00 - Nominal fee to Sevenoaks District Council	2.9	Nil	
004	Public Open Space	K432903	Manor Field	1975	£10,000	10	Nil	
005	Public Open Space	K262385	Longfield Hill	1987- Acquired from Longfield Parish Council following boundary change	Nil	3.23	Nil	
006	Public Open Space		Rectory Meadow	April 1997	£15,500	5	Nil	
007	Public Open Space	K446939	Billings Hill Shaw	1978 - Bought from developer	£2,450	4	Nil	
008	Common Land		Hartley Green	1975 - Common land vested in Local Authority	Nil	-	Nil	
009	Common Land		Hartley Court Green	Date acquired not known	Nil	-	Nil	
010	Wood		Foxborough Wood - Small area of land adjacent to Grange Lane	1939 - Given to Parish Council for Burial Ground but found to unsuitable	Nil	344' x 200' (reducing to 150' adj to highway)	Nil	

In accordance with Chartered Institute of Public Finance and Accounting community land is valued at nil

APPENDIX 2

Ref No	Description	Title no	Location	Date acquired	Purchase Cost	Acreage	Value	Disposal
011	Pavilion		Manor Field	1993	£110,000 - Building costs. Financed by Sevenoaks District Council with £6,500 contribution from Parish Council, Hartley Village Fete, Hartley Sports Club and Hartley Manor Cricket Club	N/A	£ 167,649.93 (insurance value @ 01/06/2004)	£152,077.23 (insurance value @31/03/2003) £161,201.86 (insurance value @31/03/2004) £167,649.93 (insurance value @ 01/06/2004)
012	Burial Ground		Church Road	1956	£800	N/A	Nil	
013	Wood	K700099	Hartley Wood	1991	£250	0.5 approx	Nil	
					TOTAL VALUE		<u>£167,649.93</u>	

In accordance with Chartered Institute of Public Finance and Accounting community land is valued at nil

Ref No	Description	Location	Schedule of assets		Value	Disposal
			Date acquired			
014	Playground equipment (Double junior swing, slide, play wall, football posts & bench)	Woodland Avenue	Play wall - 1998. Other equipment not known)		
015	Playground equipment (Infant swing, junior swing, 2 rockers, roundabout and slide, basket ball frame, five aside football posts & bench)	Chanrty Avenue	1998)	£8,382.79 *	* Depreciation calculated @ 25% p.a. Value of equipment @ 31/3/02 - £19,870.31 Value of equipment @ 31/3/03 - £14,902.74 Value of equipment @ 31/3/04 - £11,177.06
016	Playground equipment (Slide, junior swing & bench)	Longfield Hill	1987)		
017	Fences and gates	Various	-		£1,920 (historical value)	
018	Shed	Burial Ground	Not known		£474.84 (insurance value @ 01/06/2004)	£430.74 (insurance value @ 31/03/2003) £456.58 (insurance value @ 31/03/2004) £474.84 (insurance value @ 01/06/2004)
019	Gardening tools	Shed @ Burial Ground	Not known		£110.31 (insurance value @ 01/06/2004)	
020	Chairman's chain of office	Chairman	1998		£950.00 (insurance value @ 01/06/2004)	
021	Books	Pavilion, Manor Field	1996		NIL	Written off 13th December 2001 minute ref 13 (b)

APPENDIX 2

Ref No	Description	Location	Date acquired	Value	Disposal
022	Printer - Hewlett Packard 870cxi	Parish Office	Not Known)	
023	Printer - Hewlett Packard 959c	Parish Office	2001)	
024	Computer	Parish Office	1995) £12,000 (insurance value @ 01/06/2004)	
025	Computer serial no W000828287	Parish Office	2001)	
026	Office furniture (2 no pedestal desks, 2 no filing cabinets)	Parish Office	2001)	
027	Telephone/fax	Parish Office	1999)	
028	Bench	Ash Road (between Hottsfild & Quakers Close	Not known		
029	Bench	Junction of Manor Lane/Church Road	Not known		
030	Line marking machine	Stored at Pavilion		£394.00	Purchase cost and insurance value @ 01/06/05
031	Bench 2 no	Woodland Avenue	Not known		
032	Bench	Manor Field	Not known		
033	Bench 2 no	Hartley Green	Not known		
			TOTAL VALUE	<u>£24,231.94</u>	

Inventory of land leased by Hartley Parish Council

Ref No	Description	Location	Title number	Date of commencement of lease/licence	Cost	Acreage	Value	Disposal	
034	Public Open Space	Northfield	K416230 K390886 K786773	10th March 1999	£1.00 p.a.	65	Nil		
035	Allotments (under licence from Sevenoaks District Council)	Woodland Avenue		30th July 1982	£200.00 p.a.	Not known	Nil		
TOTAL VALUE							Nil		

In accordance with Chartered Institute of Public Finance and Accountancy community land is valued at Nil

HARTLEY PARISH COUNCIL				
<u>Financial Risk Assessment</u>				
INCOME				
Precept	Primary income of the Council	Failure to set a precept could result in insufficient income to meet ongoing financial commitments and liabilities	F.R 2.3 & 2.4	1. Ensure precept is approved by the Council no later than at its January meeting and notify Sevenoaks District Council by the end of January.
Allotments	Rent from allotment holders	Lack of control could result in misappropriation of cash	F.R 9.6 F.R 9.5 F.R 4.1 F.R 4.1 F.R 4.1 F.R. 9.3 F.R 15.5	1. Ensure receipts are issued for all income 2. Bank cash and cheques on weekly basis 3. Cash recorded on Scribe as cash payment and in paying in book 4. Cheques recorded on Scribe as cheque payment and in paying in book 5. All credits to Council's current bank account reconciled with Scribe on a monthly basis 6. Review charges annually 7. Ensure adequate fidelity guarantee insurance and review fidelity guarantee insurance regularly
Burial Ground fees	Fees charged in connection with interments in the Burial	Lack of controls could result in loss of	F.R 9.6 F.R.9.5	1. Ensure receipts are issued for all income. 2. Bank cash and cheques on weekly

Proposed alterations as recommended by F & GP Committee on 26th April 2005 marked in bold italics

Burial Ground cont'd	Ground Garden of Remembrance and approvals to memorials, inscriptions and bronze plaques	income; misappropriation of cash	F.R 4.1 F.R 4.1 F.R 4.1 F.R 9.3 F.R 15.5	basis 3. Cash recorded on Scribe as cash payment and in paying in book 4. Cheques recorded on Scribe as cheque payment and in paying in book 5. All credits to Council's current bank account reconciled with Scribe on a monthly basis 6. Review charges annually 7. Ensure adequate fidelity guarantee insurance and review fidelity guarantee insurance regularly
Hire of sports pitches and Pavilion at Manor Field	Fees charged to hire the Council's facilities at Manor Field	Lack of controls could result in loss of income; misappropriation of cash	F.R 9.6 F.R 9.5 F.R 4.1 F.R 4.1 F.R.4.1 F.R 9.3 F.R 15.5	1. Ensure receipts are issued for all income. 2. Bank cash and cheques on weekly basis 3. Cash recorded on Scribe as cash payment and in paying in book 4. Cheques recorded on Scribe as cheque payment and in paying in book 5. All credits to Council's current bank account reconciled with Scribe on a monthly basis 6. Review charges annually 7. Ensure adequate fidelity guarantee insurance and review fidelity guarantee insurance regularly

Sales from garden waste sacks	Garden waste sacks sold to members of public at Parish Office	Lack of control could result in misappropriation of cash	<p>F.R 9.6</p> <p>F.R 9.5</p> <p>F.R 4.1</p> <p>F.R 6.1</p> <p>F.R.4.1</p> <p>F.R 15.5</p>	<ol style="list-style-type: none"> 1. Ensure receipts are issued for all income 2. Bank cash and cheques on weekly basis 3. Cash recorded on Scribe as cash payment and in paying in book 4. Cheques recorded on Scribe as cheque payment and in paying in book 5. All credits to Council's current bank account reconciled with Scribe on a monthly basis 6. Ensure adequate fidelity guarantee insurance and review fidelity guarantee insurance regularly
EXPENDITURE				
Purchase orders	Goods, services and works acquired on behalf of the Council	Failure to observe Standing Orders could lead to overpayment or improper acquisitions	<p>F.R 10.1, 10.2 & 11.1 (h)</p> <p>S.O 42</p> <p>F.R 3.1, 5.2 & 10.1 to 10.4</p> <p>F.R 10.1</p>	<ol style="list-style-type: none"> 1. Orders for stationery through Kent County Supplies to be entered into purchase order book controlled by the Proper Officer and checked against statement on delivery 2. All orders for the purchase of other goods and services to be approved by Council in compliance with Standing Orders and Financial Regulations 3. All orders for the purchase of goods and services other than stationery

			F.R 17.1	4. to be in confirmed in writing Review Standing Orders and Financial Regulations from time to time
Purchase payment	For goods, services and works on behalf of the Council	Potential for over payment; inappropriate payments and unauthorised withdrawals	F.R 6.2 S.O 42 F.R 5.3 & 5.4 S.O 42 F.R 5.2 S.O 42 F.R 5.3 Requirement of Council's bankers Requirement of Council's banker	1. Invoices for payment shall be examined, verified and certified by Proper Officer 2. Cheques signed by two councillors (cheque stubs countersigned) 3. All payments authorised by resolution at Council meetings unless otherwise provided by Financial Regulation 3.3 4. Ensure Clerk is not a signatory to the Council's bank accounts 5. No blank cheques to be signed 6. Authorised signatories only to administer the bank accounts and make transfers 7. Number of bank signatories restricted to three councillors
Petty Cash	Minor operating expenses of the Council	Inadequate controls could lead to misappropriation of funds; unauthorised expenditure	F.R 6.5 (a) F.R 6.5 (b)	1. Undertake monthly reconciliations 2. Maintain vouchers for payments made from petty cash a/c.

			F.R 6.5 (c)	<ol style="list-style-type: none"> 3. Ensure income received in not paid into petty a/c 4. Payments from petty cash a/c shown separately on schedule of payments
Payroll	Payment of wages and salaries to Council employees	Failure to deduct correct tax, NI and pension contributions; failure to comply with current legislation on employment terms and conditions; payment of fictitious staff	<p>F.R 4.4 S.O 42 F.R 5.3, 6.1 & 7.2</p> <p>F.R 7.1</p>	<ol style="list-style-type: none"> 1. Undertake regular internal audits 2. All individual salary payments authorised monthly by resolution at Council meetings and paid by cheque 3. Monthly salary cheques checked against pay slips
AUDIT				
Internal Audit	Review of systems and controls implemented by Council	Failure to secure independent internal audit would contravene Audit Regulations	<p>F.R 4.4</p> <p>F.R 17.1</p>	<ol style="list-style-type: none"> 1. Appoint independent and competent internal auditor 2. Review Standing Orders and Financial Regulations from time to time
External Audit	Completion of the audit process	Failure to comply with statutory requirements for completion and publication of Audit	F.R 17.1	<ol style="list-style-type: none"> 1. Review Standing Orders and Financial Regulations from time to time

INSURANCE				
Insurance	Insurance cover provided for Council's legal liabilities, assets (where appropriate) and financial activities	Inadequate cover could lead to financial loss and legal claims against the Council	F.R 15.1	<ol style="list-style-type: none"> 1. Review insurance schedule annually 2. <i>Seek competitive quotations from alternative insurers at regular intervals</i> 3. <i>Review value of assets at regular intervals</i>
ASSETS				
Asset Control	Record of Council's assets and investments	Failure to maintain review could result in under insuring Council assets and result in financial loss	F.R 15.1 F.R 5.1	<ol style="list-style-type: none"> 1. Review asset register annually. 2. Review insurance cover annually 3. Review investments regularly
ACCOUNTS				
Book keeping	Record of the Councils receipts and payments	Inaccurate, or failure to maintain records properly could lead to loss of income; overcharging by suppliers or misappropriation of Council funds	F.R 17.1 F.R 4.1	<ol style="list-style-type: none"> 1. Review Standing Orders and Financial Regulations from time to time 2. Record all the Councils receipts and payments onto Scribe

			F.R 5.2	3. Report monthly to Council on its net financial position
Bank reconciliation	Check of the Council's transactions in the form of receipts and payments against bank statements	Failure to undertaken monthly reconciliation could result in loss of income, inappropriate payments or misappropriation of funds	F.R 4.1	1. Undertake monthly bank reconciliation of all the Council's accounts
Direct debits	Direct debit to public works loan board half yearly	Fictitious payments		1. All new direct debits to be agreed by Council
Year end accounts	Statement of financial activity of the Council for each year	Failure to provide an accurate statement of the Council's financial transactions for each year.	F.R 4.3	1. Report year end statement indicating the Council's financial activity throughout the year to Finance Committee for consideration before adoption by the Council
BUDGET				
Annual budget	Statement of Council's estimated income and expenditure	Risk of failure to raise adequate funds for services provided by the Council and to honour ongoing financial commitment and liabilities; over/under statement of	F.R 2.1 & 2.3 F.R 2.3 & 2.4	1. Finance Committee to prepare annual budget in consultation with other Council committees. 2. Budget to be approved by Council in December or January of each

		Precept	F.R 17.1	<p>year in order that District Council may notified of Precept before the end of January</p> <p>3. Review standing orders and Financial Regulations from time to time</p>
Budget monitoring	Check actual income and expenditure against estimates	Failure to do so could result in Council exceeding its budget allocations	<p>F.R 3.2</p> <p>F.R 3.2</p>	<p>1. Finance Committee to undertake quarterly reviews of actual income/expenditure against estimates and report to Council</p> <p>2. Net financial position reported monthly at Council meetings</p>
OTHER				
Financial records	Records of Councils financial transactions	Failure to ensure safe keeping and updating of records	F.R 17.1	<p>1. Review Standing Orders and Financial Regulations from time to time</p> <p>2. Ensure all financial records are held by the Council for the statutory requirement</p>
Data protection	Protection of Council's financial records	Failure to protect could result in lost data		<p>1. Back up Scribe and all computer systems on a weekly basis</p> <p>2. Ensure one copy of back up systems to be stored outside the Parish Office</p>