

**MINUTES OF THE MEETING OF THE FINANCE & GENERAL PURPOSES
COMMITTEE HELD ON 15th DECEMBER 2008 AT 2.30 p.m.
AT HARTLEY LIBRARY, ASH ROAD**

Present: Cllr Mr L Abraham
Cllr Mr A Barnett
Cllr Mr J Gaywood
Cllr Mr M Harris
Cllr Mr B Ramsay (Chairman)

In attendance: Mrs J Hoad (Clerk)
2 members of the public

1. Apologies

Apologies had been received from Cllr Mr C Alford, Cllr Mrs J Burns, Cllr Mrs P Cole and Cllr Mr V Sewell.

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 5th November 2008 be approved and signed by the Chairman as a correct record.

4. Receipts and payments

The Committee examined a financial report setting out a summary of the Council's receipts and payments for the period 1st April 2008 to 9th December 2008.

RESOLVED: That, the financial report be noted

5. Internal Audit report for the period 1st April 2008 to 30th September 2008

The Committee considered the interim internal audit summary report for the period 1st April 2008 to 30th September 2008. Various supporting documents to the internal audit report had been previously circulated by e mail to Members of the Finance & General Purposes Committee. The Committee noted that testing had shown the Council's financial procedures and internal controls to be in place and operating effectively. The internal auditor had reported that the fidelity guarantee was under continuing review.

The Committee noted that Section 2 of the Annual Return, the annual governance statement, required a review of the effectiveness of the system of internal audit and that the review should be undertaken in advance of the completion of next year's Annual Return.

RESOLVED: That,

(1) the interim internal audit summary report for the period 1st April 2008 to 30th September 2008 be noted and,

(2) a working group consisting of Cllrs Ramsay and Harris be established to review the effectiveness of the system of internal audit and to report back their findings to the Finance & General Purposes Committee.

6. Fidelity Guarantee

The Committee was reminded of the internal auditor's recommendation to increase the fidelity guarantee indemnity limit from £144,000 to £167,000. The Committee was advised of two options:

- (1) to maintain the existing level of cover, which currently included the Clerk and employees, at an additional cost of £55.50 per annum inclusive of tax and,
- (2) to amend the current policy to include councillors, as well as the Clerk and employees, at an additional cost of £230.14 per annum inclusive of tax.

The Committee considered that due to the internal financial controls operated by the Council the risk of theft was minimal and therefore could not justify the additional expenditure to extend the fidelity guarantee cover to include councillors.

RECOMMENDED: That, the fidelity guarantee indemnity limit be increased from £144,000 to £167,000 for the Clerk and employees, as recommended by the Council's internal auditor.

7. Hartley WI Hall

The Committee considered a report on progress to transfer the title of the Hartley WI Hall to the Parish Council. The Committee examined the 1925 Conveyance between The Hartley Agricultural Co-operative Society Ltd and the "Trustees" in respect of land, as defined in the Conveyance document. The Conveyance made provision for the appointment of "Trustees", and defined the role and responsibilities of the "Trustees" and the Management Committee of Institute, which had been set up to ensure the liabilities of the Trustees could be properly met.

The Committee had been provided with information documents on charity law published by the Charity Commission and NALC, and more specifically information published by Action with Communities in Rural England on village halls run by parish councils as sole trustees.

Solicitors acting on behalf of the Hartley WI had requested the Parish Council consider taking over as Trustees of the property. The Committee was advised that the Council's solicitor was investigating the matter further and making enquiries into whether the conveyance could proceed by a simple transfer at Land Registry.

The Committee was informed of a meeting with the Village Hall advisor from Action with Communities in Rural Kent early in the New Year, who would explain to Members the implications for the Parish Council in being a sole trustee of the Hartley WI Hall.

RESOLVED: That, further consideration of the matter be deferred.

8. Donations

The Committee considered requests for donations from the following bodies:

- (1) Round Ash Pre School for updating the facilities in the school and the playground and,
- (2) Hartley Library to provide an outside seating area.

The Committee was informed of Government initiatives to make available funding for playgrounds, which it was believed would become available sometime during the summer of 2009.

The Committee felt the Council should not fund maintenance items on the Hartley Library premises as it considered this to be the responsibility of the landowner, Kent County Council.

RESOLVED: That, Round Ash Pre School be asked to provide more information on the amount of funding required and what the funding would be used for.

RECOMMENDED: That, in accordance with Section 137 of the Local Government Act 1972 a grant of upto £200 be provided to Kent County Council for the purchase of ancillary items in respect of the project to provide an outside seating area at Hartley Library, subject to the project proceeding.

9. Parish office Lease

The Committee considered a report on progress to complete the lease on the Parish Office. The terms under which Kent County Council would be prepared to grant a lease were contained in a letter dated 30th September 2008 from Michael Rogers Chartered Surveyors. The Committee was reminded that the terms contained in the letter of 30th September made no provision for non domestic business rates and following negotiations undertaken by the local County Councillor those terms had been amended, as set below:

- Rent for the period 1st April 2006 to 30th November 2008 to be £1,000 per annum inclusive of non domestic rates and other outgoings, as set out under the heading, "Landlord's Obligations", in a letter dated 30th September 2008
- From 1st December 2008 rent to increase to £1,500 per annum exclusive of rates but inclusive of the costs under "Landlords Obligation".

RECOMMENDED: That,

(1) the principal terms in respect of the lease of the Parish Office in Hartley Library, as set out in a letter dated 30th September 2008 from surveyors acting on behalf of Kent County Council and as amended by a letter dated 11th December 2008 be approved and,

(2) the local County Councillor be thanked for his assistance with the negotiations.

10. Audit of Accounts 2006/07

The Committee was informed that the District Auditor had completed his investigation into objections raised on the accounts for the year ended 31st March 2007 by a local government elector and that the District Auditor had confirmed he did not uphold any of the objections raised and would not be exercising his discretion under section 17(1) of the Audit Commission Act 1998 to apply to the Court for a declaration or issuing a report under section 8 of the Act. The resident had been informed of a right of appeal in the High Court.

It was reported that the District Auditor's certificate and opinion had been received and that on the basis of their review, the information contained in the annual return was in accordance with the Audit Commission's requirement and that no matters had come to their attention giving cause for concern that relevant legislation and regulatory requirements had not been met.

The District Auditor had noted that the Council had not undertaken a review of the effectiveness of the internal audit in 2006/07, but that arrangements were now in place for the review in 2007/08. The Committee noted that the need for a review of the effectiveness of the internal audit had been a new requirement of the audit regime and as such the Council had not had the opportunity to put in place the necessary arrangements.

The Committee noted that the Notice of Conclusion of Audit and Right to Inspect the Annual Return would be displayed on the Council's noticeboard located outside Hartley Library for the statutory period of 14 days

RESOLVED: That, the report be noted.

11. Hartley Parish Plan Steering Committee

At a meeting of the Council held on 8th September 2008 the Council had considered a request from the Hartley Parish Plan Steering Committee in respect of the payment of an account relating to the production of the Village Design Statement and in line with advice from the Council's internal auditor it had been resolved that arrangements be made for

Hartley Parish Council to pay the account, reclaim the VAT and seek reimbursement of the net costs from the Hartley Parish Plan Steering Committee.

It was reported that the Council had subsequently received advice from the Society of Local Council Clerks, (SLCC), and H M Revenue & Customs, (HMRC), which indicated that the Parish Council would not be able to recover VAT on behalf of the Hartley Parish Plan Steering Committee. The Committee considered further advice received from the internal auditor agreeing with the advice received from SLCC and HMRC. The Hartley Parish Plan Steering Committee had been advised accordingly and asked to provide payment to Hartley Parish Council for the irrecoverable VAT on the payment to the printing company.

RESOLVED: That, the report be noted and the Clerk's action confirmed.

12. Council meeting held on 10th November

The Committee consider a letter dated 17th November 2008 from a resident expressing concern about the conduct of a councillor at a meeting of the Council held on 10th November 2008. The Chairman of the Finance & General Purposes Committee read a response from the councillor concerned, which was supported by Members of the Committee.

RESOLVED: That, the letter dated 17th November 2008 from a resident and the response thereto be noted.

13. Date of the next meeting

To be confirmed.

The meeting closed at 3.30 p.m.

Signed:.....

Date:.....

Chairman of the Finance and General Purposes Committee