

WASHINGTON PARISH COUNCIL



Clerk to the Council.
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Finance Committee Meeting

DRAFT MINUTES of the Finance Committee Meeting held on the 12th December, 2016.

PRESENT: Cllr C Beglan, Cllr P Heeley and Cllr R Thomas.

ALSO: Clerk to the Council Zoe Savill

Members of the public: 0

Absent: Cllr L Britt

Cllr Heeley opened the Meeting at 18:30 hours

To Receive Nomination for and elect a Chairperson of the Committee

In view of the absence of last year's Chairperson, Cllr Britt, it was agreed that nominations for the current year would not be taken until all members are present at the next meeting. Therefore, Cllr Heeley was proposed to Chair the meeting by Cllr Beglan, and seconded by Cllr Thomas. Cllr Heeley was duly elected.

Apologies for Absence:

Apologies were received and accepted from Cllr Britt (unwell)

To record declarations of interest from members in any item to be discussed and agree dispensations

There were no declaration so interest.

To approve the Minutes of the last Finance Committee meeting held on 16th November, 2015

The draft Minutes of the Meeting on 16th November, 2015 were **AGREED** and duly signed by the Chairman.

To receive and review reports from the External and Internal Auditors 2016

Councillors REVIEWED and ACCEPTED the reports from the auditors. Councillors NOTED that the external auditor reported that the information in the Council's 2016 Annual Return was in accordance with its proper practices and no matters have come to their attention giving cause for concern that relevant legislation and regulatory requirements have not been met. However, the external auditor has requested that in the next year's accounts, the trust fund transactions should be excluded. The clerk has advised that this conflicts with the report from the internal auditor, Mr Frost, which stated the following:

Recreation Ground. This is in Trust, with the Council as Sole Trustee. Under recent

Guidelines, any Financial Transactions regarding a Trust should pass through a separate Ban Account and set of Books. The Receipts are around £2K pa with Outgoings of £7k pa. It is suggested that the current procedure of accounting for the Trust's Financial Activities in the Accounts of the Council is continued. This is because the Council would fund any of the Trust's expenditure and equally, take in any Income enjoyed by the Trust - hence the figures for future Annual Returns of the Council would not change.

Councillors NOTED that the clerk has written to the external auditor seeking advice and highlighting the internal auditor's comments. Their response to be reported to councillors at Full Council in January.

To receive, review and recommend the draft budget and 2016/17 precept

The draft budget was RECEIVED and REVIEWED in detail by Councillors across all the cost centres. The following was proposed:

General Administration

The committee agreed to propose the following:

- The preliminary budget for the clerk's salary to be £13277
- The clerk's pension and overtime should be separated from the clerk's salary.
- To make a preliminary budget of £644 for the Clerk's pension - to be reviewed
- To make a £700 contingency for the clerk's overtime and hours outside contracted services
- The clerk to review the 10% insurance premium tax increase and report to Council.

Cllr Heeley NOTED the significant increase in General Administration budget is due mainly to the Clerk's Pension.

Open Spaces

The committee agreed to propose the following:

- The budget for Parish grounds maintenance be reduced from £5,500 to £5,000 as the mole drainage is not required for 3-5 years.
- Clerk to examine the tree survey conducted by Mr Andrew Gale to identify any further costs in this area, and report to Full Council in January. So far just under £1,000 of the £2,000 draft allocation had been spent on felling a tree in the graveyard.
- The £3,000 allocated to Gravestones remedial work to be moved into Reserves as it is not an annual expenditure. Clerk to review the costs and report to the Full Council in January.

Capital Reserves and Earmarked Reserves:

Cllr Heeley NOTED that the £21,000 capital reserves will be spent next year: £12,000 on the Children's Playground and £9,000 on the VAS. NB £28605.14 has also been earmarked from S106 monies for the Children's Playground.

Therefore the Total Reserves and general balance of £63,903 will be reduced to £42,903 next year.

The Committee agreed:

- That the £12,000 and £9000 should be removed from the Capital Reserves budget for next year.

Income

Councillors NOTED the following draft tax base figures have been received from HDC as follows:

Council tax grant - £80 (£398 in 2016.17)

Tax base of 1059.70 (1037.2 in 2016/17)

Cllr Heeley reported that the council grant had been reduced year on year, and next year it is proposed to be reduced by 80%. The draft precept income figure for 2017.18 of £38,753 is £823 more than the Council received in the current year. But the Council grant difference is £318 less, giving an overall increase of around £500. To balance the budget, the Council requires £2,251.

The Committee therefore **AGREED to RECOMMEND** to the Full Council that there should be in principle a 2% increase in the precept, making a total of £39,528 for 2017.18. This was agreed on the basis that the council had not increased the precept for six years and the Council can now be seen by the community to be spending money on good projects. It was felt that a proportion of the £2,251 total budget deficit could be offset by the reduction in costs shown in the draft budget rather than from reserves held in the bank as these will have already been reduced.

It was unanimously agreed that these proposals would be presented to Full Council in January when it is expected that HDC will have confirmed the council tax and the tax base figures.

To Review and Recommend additional payment to the internal auditor for 2015.16

Councillors NOTED that Mr Frost has stated his intention to seek recovery of the £88.50 for emails with respect to his audit of the Council's accounts Year Ended March 2016. New facts had emerged of which the Council had not been aware when making its decision not to settle the outstanding fee. Significantly, in the previous year, the Council had paid for the auditor's emails and these were presented in the same format in this year's invoice. Cllr Heeley noted that the emails represent hours of time, additional to the hours of work listed in the invoice, and that this lack of clarity had caused confusion. The clerk had taken free legal advice from the council's insurers, and was informed that the quotation was an estimate and that the auditor could arguably be entitled to charge more.

Councillors agreed that on the basis that new information had been provided by the clerk which had not been taken into account when councillors made their decision, the committee recommends to Full Council the payment of £88.50 and to rescind the previous decision

To Receive an update on the appointment of an auditor

Councillors NOTED that the clerk is awaiting quotations from three auditors to carry out the Council's Audit for the Year End 31st March 2017. These will be presented to the Full Council in January 2017.

The meeting was closed at 19:17 hours