



Kingsmead Parish Council
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Minutes of the FINANCE PARISH COUNCIL MEETING held Monday 4th May 2020 at 7.30pm via Zoom Video Conferencing.

Present: Cllrs Martin, Boylan and Bannister

Also in attendance: Sarah Morgan (Clerk)

1. **To receive Apologies**

Resolved: No apologies were received.

2. **Disclosure of interest in items on the agenda**

To receive from members, disclosure of any (a) Disclosable Pecuniary Interests and, (b) Other Disclosable Interests as required under Chapter 7 of the Localism Act 2011 and Kingsmead Parish Council's Code of Conduct.

Resolved: No members declared interests in any items on the agenda

3. **Public open forum**

- a) Members of the public are invited to address Councillors and raise issues of concern

Noted: No members of the public were present.

4. **Minutes**

- a) To approve the minutes of the Finance Committee Meeting held 25th November 2019

Resolved: It was resolved to approve the minutes of the Finance Committee Meeting held 25th November 2019

5. **Annual Financial Reports 2019-2020**

- a) To review and note the detailed annual return report and draft AGAR

Noted: The detailed and draft AGAR annual return accounting statement reports were reviewed and noted.

- b) To consider reports from the internal auditor (*attached*)

Resolved: The reports were reviewed, and it was noted that it is the internal auditor's view that the council's system of internal controls is in place and it is "adequate for the purpose intended and effective, subject to the recommendations recorded in the action plan", with two of the six recommendations having now been implemented.

- c) To review internal control measures in response to the internal audit report for recommendation to full council

Resolved: The issues raised on the internal audit report were reviewed and the following recommendations to full council were agreed: -

1. AGAR annual return error – no recommendation as now corrected.
2. Add 'restated' to comparative accounts in preceding year – now implemented for final approval.
3. Implement a purchase order system – Clerk to establish numerical spreadsheet system and bring a purchase order policy for approval at full council.
4. The council should set a transaction limit and maximum monthly limit of the payment card in the Financial Regulations (FR) - £500 transaction limit and £500 maximum monthly limit to be recommended as an amendment to the FR.
5. VAT verification – Clerk to complete VAT verification on all new suppliers to prevent risk of financial loss through failure to reclaim VAT.
6. Working groups – Clerk to bring a review of working group terms of reference to full council for further consideration, including that the working groups cannot commit to expenditure.
7. It was noted that all actions had been implemented in the previous year, however the replenishment of reserves requires ongoing action to ensure that reserves continued to increase to an adequate level (25% of precept).

d) To consider the recommendation of undertaking an interim internal audit

Resolved: It was resolved to continue with the annual internal audit only.

6. **Review of procurement 2019-2020**

a) To review a spend analysis by supplier (*attached*)

Noted: A spend analysis by supplier was reviewed and details of the additional works undertaken by the two main contractors were considered.

b) To consider recommendations to full council in relation to procurement

Resolved: It was resolved to recommend the following considerations in relation to procurement: -

- Consider option of a third large contract to 'mop up' additional works undertaken outside contracts.
- Define what is 'best value' and providing justification for approving significantly higher quotes.
- Seek references for unknown suppliers in preparation for consideration of quotations.
- Review quality of works completed to ensure standards are met.
- Consider how to establish a list of approved suppliers for selected works with day rates to allow comparison of costs and rapid selection of contractors for urgent works.
- Define required qualification levels for works (e.g. tree work)
- Ensure process is transparent and that suppliers are aware they are competing for work, to ensure best value is offered and quality is maintained.

7. **Accounting records**

a) To consider the conversion of accounts from Receipts and Payments to Income and Expenditure

Resolved: The conversion of accounts was discussed and it was agreed that the Clerk should prepare to complete the accounts in the two formats at year end in preparation for a complete change over to Income and Expenditure accounting in the next financial year, as per the requirement for councils which exceed an income of over £200,000 for two years. Costs of the change over will be brought for approval.

8. **VAT**

- a) To consider matters relating to VAT claims for 2019-2020

Resolved: The matter of VAT paid that could not be reclaimed in 2019-2020 was considered and it was resolved to take no further action in relation to the supplier, with verification checks being complete on new suppliers going forward as per the internal auditor's recommendation.

9. **Insurance Arrangements**

- a) To review insurance arrangements.

Noted: Renewal quotations and Insurance arrangements for play area equipment were considered and it was agreed that further renewal quotations should be sought for agreements of 5 years with and without new for old cover for play equipment to compare the rates.

10. **Close of Meeting**

Noted: The meeting closed at 8.55pm
