

## Abbots Langley Parish Council

Council Offices  
Langley Road  
Abbots Langley  
Herts  
WD5 0EJ

22nd July 2014.

To Members of the Finance and Administration Committee

Councillors: Jeff Hill (Chairman), Gloria Keaveny, Brenda Kersey, Jane Lay, Owen Roe and Keith Williams.

The next meeting of the Finance & Administration Committee will be held at the above address on Monday 28th July 2014 at 6:00 pm, when your presence is summoned for the purpose of transacting the business outlined below.

The press and public are welcome to attend the meeting.

Tim Perkins  
Clerk to the Council

### AGENDA

1. **Apologies for Absence**  
To receive and accept apologies for absence.
2. **Declarations of Interest**  
To receive declarations of interest in items on the agenda.
3. **Public Participation**  
To note if any members of the public have requested to speak at this meeting, in accordance with the Parish Council's Public Speaking Arrangements.
4. **To confirm the Minutes of the Meeting held on 28th April 2014 (previously circulated).**
5. **Committee Vice-Chairman**  
To appoint a Committee Vice-Chairman for the 2014-2015 municipal year.
6. **Internal Audit**
  - i. To consider the report from the internal auditor. (See Clerk's report item 1 and enclosed report.)
  - ii. To review the effectiveness of internal audit. (See Clerk's report item 2.)
  - iii. To appoint the internal auditor of the financial year 2014-2015. (See Clerk's report item 3.)
7. **Risk Assessments**  
To consider the Financial and Business Risk Assessment. (See Clerk's report item 4 and enclosed risk assessment.)
8. **Budget Monitoring Report**  
To consider the budget monitoring report for Q1 2014-2015. (See monitoring and tracking report enclosed.)
9. **Budget Preparation Schedule**  
To consider the Budget Preparation Schedule for 2015-2016 (enclosed).
10. **Financial Regulations - 2014 Update**  
To consider the Clerk's report. (See Clerk's report item 5)

## Abbots Langley Parish Council

### 11. Matters Referred from Committee

Leisure Committee - Kingsfield Allotment Footpath (min. 74)

To consider an overspend, as recommended by the Leisure Committee, in the Allotments Budget 2014-2015 (code 6040 Repairs & Maint.) (See Clerk's report item 6.)

Leisure Committee - Officers Delegated Authority (min. 402)

To consider if officers should have delegated authority to offer discounts from the agreed Fees & Charges Schedule. (See Clerk's report item 7.)

### 12. Grants 2014-2015

To consider Financial Grants deferred from the April meeting of this committee and a new Small Grant application. (See Clerk's report item 8.)

### 13. Clerks Report

To receive a brief verbal report from the Clerk on CCLA (Churches, Charities & Local Authorities) a mutually owned investment manager, owned by Local Authorities Mutual Investment Trust.

<http://www.ccla.co.uk>.

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**Abbots Langley Parish Council**  
**Clerk's Report - F&A - July 2014**

**1. Internal Audit**

Enclosed is Auditing Solutions final report for the financial year 2013-2014.

The committee has considered and responded to all of the items that were raised on the earlier audits (Oct 2013 & Jan 2014 F&A).

The final review did not add any items to the required actions list.

**2. Effectiveness of Internal Audit**

Members are required to review on an annual basis the effectiveness of internal audit.

**Scope**

In 2010-2011 Auditing Solutions provided a copy of their full work plan which members agreed. I have checked with them and the plan used this year is substantially the same as there have been no significant legislative changes. Also, as the Parish Council has received good internal audit reports, there are no areas that require any form of special review.

Members need to be satisfied that the quality of the reporting provided by Auditing Solutions and the depth and breadth of their audits is appropriate.

**Independence**

Members also have to be satisfied that Auditing Solutions are independent and detached from the process of preparing the Parish Council's accounts and that they have no commercial or other relationships with either members or officers of the council, beyond the fee based arrangement for auditing services.

**Competence**

The auditors who carry out our internal audit are professionally qualified and hold indemnity insurance. They also have significant experience of auditing local councils so are aware of the legislative requirements specific to the sector.

**Relationships**

Officers are satisfied with the working relationship with Auditing Solutions, we are involved in the planning of audit and whilst we do not consider they are a "soft touch", their cooperative working style makes the sometimes difficult audit process more bearable.

**Planning and Reporting**

Audits are planned well in advance and areas of risk management are covered in the work plan.

The Chairman of this committee will meet with the audit principal later this year, without officers present, this will give both the opportunity to review the audit and current controls.

Officers believe that the current internal audit process is effective, thorough and cost effective.

**3. Appointment of an Internal Auditor**

The papers from BDO required for the 2013-2014 external audit inferred that the PC should be appointing its internal auditor on an annual basis. If this is the case then I (and other Clerks) have missed a memo. There is a requirement to assess the effectiveness of internal audit, as above.

In case this does come up as an issue, appointment of the internal auditor will be a standing item at this July meeting.

In Hertfordshire there was previously a split, with PC/TCs on the eastern side of the county mainly using Auditing Solutions (they provide internal audit services to all Three Rivers area PC/TCs) and elsewhere, mainly in the west, DC audit departments provided the service.

Following cutbacks and a couple of cases where DC's got taken to court for ineffective audit (not in this area) DCs are moving away from providing audit services to PC/TCs and

**Abbots Langley Parish Council**  
**Clerk's Report - F&A - July 2014**

Auditing Solutions are picking up the work. Some of the smaller PCs use local accountants to audit, but that is not appropriate for a council of our size, as these local firms will not have the knowledge and experience of local council finances and the regulatory frameworks.

The landscape for audit across local councils and other statutory bodies is likely to change over the next few years, as the role of the Audit Commission disappears and potentially appointed financial services companies, like BDO, pick up some of this work. Google "audit commission the future of local council audit" for much more information.

Until the overall audit picture changes and possibly new providers of internal audit services emerge, who are experienced in the specifics of local council audit, then officers recommend re-appointing with Auditing Solutions as provider of internal audit services for FY 2014-2015.

**4. Business & Financial Risk Assessment 2014-2015**

Enclosed. General update on all elements and dates.

Added, Bank Services pg 3/12 & 4/12, Tanners Wood Hall income (11/12).

When this Risk Assessment was first drafted in its present form it was only a few pages long, as more elements have been added it has become a bit unwieldy. Following this review I will redesign the layout, probably breaking it down into more "bite sized" categories.

**5. Financial Regulations - 2014 Update**

NALC have issued a revised draft of Financial Regulations, copy enclosed. I started to review these against our current regs and it was clear fairly soon on that the NALC draft is a complete rewrite, rather than a update with additions on changes like the new cheque regulations. It had been my intention to provide this committee with a "tracked changes" version of new regs, based on those currently in place, but that will not work as there are far too many changes.

Given that our current regs predate my arrival in 2007 it is probably appropriate that they are rewritten in full, based on the revised NALC model. One of the issues I have found with the new model is it is "one size fits all" and the authorisation limits they suggest may be appropriate for a smaller PC but they would bring a larger council to a grinding halt.

A practical way forward would be for two or three members from this committee to meet with Gail and me and go through the new regs paragraph by paragraph and bring back a draft version to this committee, with a covering summary on any significant changes. Gail and I could do this, but without member input at this stage I think we will be just doubling our workload. Members who have had particular experience working with financial regulations in the past would be useful.

*(Note: NALC draft Financial Regulations circulated only to F&A committee members, other members please advise if you want a print copy.)*

**6. Kingsfield Allotment Footpath**

The Leisure Committee consider a risk assessment of the above and costs estimates for the refurbishment of the path from the gate to the top of the allotments.

This work is unbudgeted, but considered high priority due to the slip, trips and falls hazards, particularly on the upper part of the footpath. The cost of the works will be c.£7,000 and will mitigate all current risks. The time window for the work to be carried out is between the end of the growing season and before winter frosts set in.

The 2014-2015 budget for this code is £1,850.

Officers recommend approval.

Abbots Langley Parish Council  
Clerk's Report - F&A - July 2014

**7. Officers Delegated Authority - Discounts**

This came about from a discussion on the rates to be offered to W3RT for their regular booking in the Manor House for their Elderly Residents wellbeing and lunch session. This matter was resolved as it came about close to a Leisure Committee meeting and the committee was able to consider. In the event officers were given authority to negotiate a rate for a long term repeat booking, which was secured and is now taking place every Wednesday.

Neither officers or members want to return to the situation that existed some years ago when many regular bookers had a "special arrangement" on discounted hall hire, this was a nightmare to administer and manage. There is though probably a good argument that officers should be allowed discretion on agreed rates particularly when a long term, or commercially competitive bookings are being discussed.

Some parameters members may like to consider.

- Maximum discount 30%, without prior discussion with Chairman of Leisure.
- Discount has to be agreed by both the Clerk and the Facilities Manager (FO in absentia of either).
- All discounts beyond agreed rates must be reported to the Leisure Committee in the Clerk's report to the next meeting.
- The default position is still no discounts, but this delegation allows flexibility in rates when faced with time sensitive, larger bookings.
- It is expected that this delegation will be used only rarely.

**8. Grants 2014-2015**

Financial Grants.

Deferred from the April meeting of this committee.

- Bedmond WI (£250). Deferred due to lack of accounts, now submitted and copy enclosed.
- Bowls Club (£250). Deferred due to lease situation, see enclosed letter from the club.

Full application packs for the above will be available at the meeting or can be viewed in the office prior to the meeting.

Small Grants.

Small Grants are normally approved by the Clerk, following consultation with the Chairman and Vice-Chairman of this committee. The papers for the following were misplaced by me and when reminded by the applicant the event date had passed. In effect this is a retrospective application which are not normally considered, in this case though it is not due to the applicant. When consulted the Chairman and Vice-Chairman were minded to approve the application but wanted this committee to approve given the timing issue.

- Royal British Legion - Abbots Langley Branch (£120). To support costs of the Annual Veterans Day Lunch. Copy of the application enclosed.

The RBL have withdrawn their Financial Grant application that was deferred by this committee in April.

**Tim Perkins**  
Clerk to the Council  
22nd July 2014