

## Abbots Langley Parish Council

Council Offices  
Langley Road  
Abbots Langley  
Herts  
WD5 0EJ

21st July 2015.

To Members of the Finance and Administration Committee

Councillors Sara Bedford, Lyn Ferguson, Brenda Kersey (Chairman), Jane Lay, Hitesh Tailor & John Wyatt.

The next meeting of the Finance & Administration Committee will be held at the above address on Monday 27th July 2015 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 27th April 2015 (previously circulated).**
5. **Committee Vice-Chairman**  
To appoint a Committee Vice-Chairman for the 2015-2016 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 2015-2016. (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 2015-2016. (See monitoring and tracking report enclosed.)
9. **Budget Preparation Schedule**  
To consider the Budget Preparation Schedule for 2015-2016 (enclosed).

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*The following agenda items (10, 11 & 12.) were deferred from the Finance & Administration Committee Meeting of 27<sup>th</sup> April 2015*

**10. Henderson Hall Trust - Grant**

To consider revised payment arrangements for the above. (See Clerk's report item 5.)

**11. Parish Council Offices**

a. To consider the draft layouts and costings for the Parish Council office area. (See Clerk's report item 6.)

b. To consider costs for repairing the office car park. (See Clerk's report item 7.)

**12. Vehicle Fleet**

To consider the report from the Clerk on vehicle replacement. (See Clerk's report item 8.)

**13. CCLA - Churches, Charities & Local Authorities Deposit Account**

To consider opening a deposit account with the above. (See Clerk's report item 9.)

**14. Clerks Report**

To consider items not covered elsewhere on the agenda.

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**1. Internal Audit**

Enclosed is Auditing Solutions final report for the financial year 2014-2015.

The committee has considered and responded to all of the items that were raised on the earlier audits.

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

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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 2015-2016.

#### **4. Business & Financial Risk Assessment 2015-2016**

There have been a number of minor updates to the above.

The key issue is probably around IT, on p.8. Currently I support the network, carry out all hardware installations and local problem resolution. Chess ICT provide second line support and also run our on-line back up, I have had to refer to them rarely and no on-site visits have been needed in the past almost eight years.

This reliance on me is no longer sustainable. We need to move to a managed service where a IT provider takes responsibility for maintaining the proper running of our IT estate, infrastructure and also manage hardware replacements, software licencing, etc.

The solution is obviously more expensive than we have now, but will eliminate the major risk that I am not available to carry out this support.

Most Parish Councils of our size operate a managed IT infrastructure. As a first step I will draft an initial requirements specification and seek supplier recommendations from colleagues.

#### **5. Henderson Hall Trustees**

The above have asked that the grant paid to them be remitted in two annual tranches on 1<sup>st</sup> May & 1<sup>st</sup> November. In principle I have no objection to this, but only as and when they have got their banking arrangements regularised.

We submitted the Q1-Q2 financial summary in November which the trustees agreed to pay (£23.96k), when they submitted their cheque, we were not convinced the trustees who had signed the cheque were on the bank mandate.

It transpired that following the departure of two managing trustees the trustees received new bank mandate forms, which were subsequently "lost" by the trustees or the Cooperative Bank. It was all a bit muddled. Although the Parish Council's cheque for the first grant instalment (£20k) had been raised and signed this has been held in the safe pending resolution of this matter, which we have been assured is imminent.

Richard Baldwin has been appointed Treasurer by the trustees and he will be working more closely with Gail Kiely on the finances. A meeting has been arranged for early in May.

I would recommend that it is agreed to pay the grant in two instalments, as requested by the trustees, but not until such time as the bank mandate and cheque signatory issues are resolved and then only on the understanding that any invoices submitted by the Parish Council for costs incurred on behalf of the trustees are settled with thirty days.

*(Update 14/07/2015: The Cooperative Bank have confirmed the new mandate with current signatures is now in place.)*

## 6. Parish Council Office - Layouts

Enclosed are four layout drafts for the office. Option 1 is the highest cost option as it involves extending the entrance porch to the corner of the building, the building works are uncosted. The other three options are really variations on a theme, the costs of which would be in the order of £16k-£18k and would include:

- Strip out works
- Partitioning
- Decoration
- Flooring
- Electrical and data cabling
- Furniture

The ceiling and new lighting units in the public and front office area is also uncosted.

The cost estimates assume works would be carried out during the working day, our initial thoughts, if this was to proceed, is we would decamp the front desk staff to the chambers for the period of works and use the entrance from the pavement as the public entrance.

The ideal time to do this would be August as this is our quietest time of the year in the office and if the works schedule was carefully planned would probably mean only one committee meeting, either P&H or Leisure, would have to be relocated to probably the Manor House.

We have struggled to get contractor quotes, the job is too small for many of the office refurbishment companies. We are concerned the above costs are high side but they do give a general idea. I need some guidance from his committee on the way forward.

## 7. Parish Council Office - Car Park

The car park surface has deteriorated badly. When it is raining large puddles collect and when these freeze in the winter further damage occurs. The contractor who undertakes most of our footpath and car park works reported:

*"The council car park has reached a point that there is no top surface and is very quickly deteriorating. This surface has been patched up in the past years and even the base course is starting to crack.*

*The surface being as it is now, will cause damage to car wheels. The wheels turning on the broken up bitumen stones could rip into the tyre, and further undermine to the surface.*

*The deteriorating surface is also filling the drains with loose materials that have had to be cleared.*

*Two options are available, option one should only be thought of as a short term repair, for a more permanent solution option 2 is recommended".*

### OPTION 1

To provide and install approximately 32.00 lm of PCC edgings on concrete bed and backing

To clean area and provide and lay approximately 183.00 m<sup>2</sup> of 10mm DBM wearing course to a compacted thickness of 40mm

Price £4,666.00 + VAT

### OPTION 2

*To excavate defective surfacing from car park to a depth of 100mm and dispose of spoil.*

To provide and install approximately 32.00 lm of PCC edgings on concrete bed and backing.

To reconstruct approximately 183.00 m<sup>2</sup> of car park with 60mm thickness of 20mm DBM base course and 40mm thickness of 10mm DBM wearing course.

Price £9,700.00 + VAT

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The risk assessment for the offices will be updated this year, as members are aware I do not resort to playing the H&S card but the car park is a risk. A number of staff and MoPs have slipped or tripped at some stage, the car park is particularly dangerous in the winter months when there are large frozen patches of water in many places.

I would recommend proceeding with option 2, which will provide a longer term solution, in addition adding white lines, which will only cost a few hundred pounds. There is not budget available for this in the main R&M code for the offices, but there is £50k in earmarked reserves for Property Repairs and Improvement.

We may also need to consider installing a height barrier. Large vans are routinely using the car park and you can see their wheels tearing the surface as the manoeuvre in the limited space.

#### 8. Vehicles

David Abbott has put considerable work into looking for a replacement for our tipper, which is the main "workhorse" vehicle. Suitable second hand replacements are few and far between, when they do come on the market they are often sold in days and consequently are fairly high priced. A new vehicle would be in excess of £25k, which is felt to be too expensive.

The current tipper was first registered October 2007, it has 32k miles on the clock and has had no major mechanical issues, it usually averages 6k miles/pa.

For less than £2k the current tipper could be fully externally refurbished, minor dings and scratches removed, some panels resprayed, hazard chevrons replaced and the vehicle returned to a good external appearance. In addition for c.£2.7k the tipper cage which is getting close to end of life could be completely replaced. For well under £5k we would have a vehicle that is in excellent condition well under average mileage and good for at least another 3-4 years.

If members approve this course of action attention will be turned to the Works Manager's vehicle which is getting close to end of life and a proposal for replacement brought to the next meeting of this committee.

#### 9. CCLA - Churches, Charities & Local Authorities Deposit Account

CCLA is a mutual investment manager, owned by Local Authorities Mutual Investment Trust. This committee received a presentation from them last year. Key to note that they are a mutual not a commercially operated investment business.

CCLA operate a deposit account for local councils that sits between our current and precept accounts, which pay minimal interest and our fixed term deposits which pay a higher rate. For example a recent fixed rate deposit that matured after six months for £600k paid 0.65%.

CCLA currently pay 0.45%, but the big benefit of their account is that funds are "on call" and if requested by 11:00 will be back in our account by 16:30.

We have to take a fairly conservative approach to funds put on fixed term deposit in case we have a short term cash need for an unplanned expenditure, this means unnecessarily high balances may sit in our current account earning little interest. So CCLA would sit in the middle of our banking arrangements, with funds earning interest but not tied up in a long term fixed term deposit.

Funds are secure and CCLA will only return them when called to the registered account of the Parish Council.

Within Hertfordshire Harpenden TC, Hatfield TC, Wheathampstead PC, Kimpton PC, Bishops Stortford TC, Tring TC, HAPTC and Herts CC all have long term relationships with CCLA. All the PC/TCs recommend CCLA.

If members are in agreement then Parish Council approval will be needed to open an account.

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**10. Building Reinstatement Cost Survey**

This was last carried out in 2010, best practice says this should be repeated every five years.

Ashridge Surveyors (Nick Brown) undertook a reinstatement survey in April 2015. There were some minor changes to the valuations, to which since 2010 our insurers had applied the usual rebuilding costs index increases.

The changes resulted in an overall reduction in the sum insured and a premium refund of £46, which has been received.

For the benefit of members new to the committee, a significant proportion of our buildings insurance is recovered from tenants, as their lease stipulates that the Parish Council insures, the cost of which is subsequently recovered from the tenant.

**11. College Road Neighbourhood Watch**

The above have written to thank members for extending the arrangements agreed at the April meeting of this committee. (min. 436)

Tim Perkins  
Clerk to the Council  
21st July 2015

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