

Abbots Langley Parish Council

Council Offices
Langley Road
Abbots Langley
Herts
WD5 0EJ

17th July 2018.

To Members of the Finance and Administration Committee

Councillors Sara Bedford, Liz Burns, Lyn Ferguson, Brenda Kersey, Jane Lay, Alex Michaels, & Hitesh Tailor (Chairman).

The next meeting of the Finance & Administration Committee will be held at the above address on Monday 23rd July 2018 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**
23rd April 2018 (previously circulated).
5. **Committee Vice-Chairman**
To appoint a Committee Vice-Chairman for the 2018-2019 municipal year.
6. **Matters Referred from Committees**
 - i. To consider matters related to the Manor Lodge lease to the Hertfordshire Police & Crime Commissioner. (Clerk's report item 1i.)
(Referred from the Parish Council min. 21 - 14th May 2018.)
 - ii. To consider if funds can be made available to joint fund the Skate Park project on the Manor House playing fields. (Clerk's report item 1ii.)
(Referred from the Leisure Committee min. 73 - 20th June 2018.)
7. **Internal Audit**
 - i. To consider the report from the internal auditor. (Report enclosed.)
 - ii. To review the effectiveness of internal audit. (Clerk's report item 2.)
 - iii. To appoint the internal auditor of the financial year 2018-2019. (Clerk's report item 3.)
8. **Budget Monitoring Report**
To consider the budget monitoring report for Q1 2018-2019. (Tracking and monitoring report enclosed.)

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9. Budget 2018-2019 Process & Schedule

To consider the report from the Clerk and the Budget Preparation Schedule for 2019-2020 (Clerk's report item 4 and enclosed schedule).

10. Risk Assessment

To consider the Financial and Business Risk Assessment. (See Clerk's report item 5 and enclosed risk assessment.)

11. General Data Protection Regulations

To consider the report from the Clerk and approve the draft Privacy Policy. (Clerk's report item 6 and draft policy enclosed.)

12. Financial & Small Grants

To consider the following grant applications:

- i. Financial Grant - Abbots Langley Carers Network. (Application enclosed.)
- ii. Small Grant - Abbots Langley Festival (Henderson Hub) (Clerk's report item 7 and application enclosed.)
(Grant applications enclosed for F&A members only)

13. Committee Expenditure

- i. Kitchen & Toilet Refurbishment
- ii. IT Equipment
- iii. Vehicles
(Clerk's report item 9.)

14. IT Support Contract

To receive a verbal update from the Clerk.

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Abbots Langley Parish Council
Clerk's Report - F&A - July 2018

1. Matters Referred from the Parish Council & Committees

i. Herts Police & Crime Commissioner - Manor Lodge Lease

Self-explanatory minute 21 from the Annual Parish Council held on 14th May 2018 is copied below.

"It was proposed by Councillor Stephen Giles-Medhurst and seconded by Councillor Alex Michaels and RESOLVED that consideration and final decision on the above be referred to the next meeting of the Finance & Administration Committee.

Members asked that mutual break clauses be specifically considered in the event that the Parish Council wanted to develop the site."

ii. Manor House Skate Park - Funding

Three Rivers District Council have asked if the Parish Council would be able to contribute c.£50k to the above project. The Leisure Committee are asking if this funding is available.

Project options are being reviewed and they are costing £100k-£150k.

Possible funding sources would be the Open Spaces Projects earmarked reserve, balance c£46.7k following committed expenditure, the Community Infrastructure Levy Funds £148k. There is also a balance in the General Fund that can be vired to this project.

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.

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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.

Auditing Solutions are the only company operating in this area that have the capability to provide internal audit services to larger local councils. Until new providers of internal audit services emerge, who are experienced in the specifics of local council audit, then officers recommend re-appointing Auditing Solutions as provider of internal audit services for FY 2018-2019.

The 2017-2018 Internal Audit Programme was approved in November 2017 (F&A min 270i). The programme is expected to be substantially unchanged for 2018-2019. Auditing Solutions will update later in the year and this committee will review when received.

4. Budget 2019-2020 Process & Schedule

Last year we went through eight budget revisions that members saw, there were other "internal" revisions. We ended up in this position as some years ago the state of the PC's finances and accounting practices were far from as robust as they are today and building the budget was a painful process.

Today the situation is more robust and to a lot of the budget content is fixed cost. Unless members want to start hiring (or firing!) people, utility, building, vehicle and operational costs do not change much year or year, this and other committees have been diligent in squeezing out cost savings and to some extent there is not much left.

What does change is the "projects and priorities" particularly from Leisure and to a lesser, but not less significant, degree from F&A with some of the property related projects.

I am proposing this year to do an initial budget run in Sep, before I go on leave, this will be based on close to half year end data as we can get, it will be accurate enough for the budget.

Then there will still be internal updates, but members will see an "updated" version at Oct, Nov and close to final at Dec F&A, still circulated to all members. This will reduce work (and paper), will not impact accuracy, but will eliminate some of the minor updates members see during the process.

The budget issued for Oct F&A will be used for all meetings up to the next version being issued for Nov F&A. Then the same for coming month. A "final for approval version" will be issued for the January PC, but unless there are minor tweaks that tends to be fairly close to the final Dec F&A version, given that we have not had much time to do anything as Dec F&A is usually close to Christmas and the January PC papers have to go out pretty soon after we get back.

I am not reducing in anyway the level of scrutiny or opportunities to input but trying to change the thinking a bit that there will be four updates to the budget that members will see, Oct, Nov and Dec and a final version for PC approval in January rather than update versions for every committee meeting.

I have reflected this in the enclosed Budget Preparation Schedule.

5. Risk Assessment

No major changes to the above but all content reviewed and updated.

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6. General Data Protection Regulations

After a fairly slow and frustrating start, the first Impact Assessment day with the DPO Centre is being held on 7th August at Croxley Green PC. This is a joint working session with all the Three Rivers area PCs.

Two consultants have been assigned by the DPO Centre, one of whom is the Clerk at Redbourn PC (currently working his notice) so at least there will be a reasonable knowledge of our sector without us having to "educate" the consultants on some of the strange ways of PCs.

The draft Privacy Policy is based on a DPO Centre template and may be subject to update following review. If members are in agreement I suggest if the policy is approved and delegated authority given to me to handle any minor amendments and substantive updates to be referred back to the committee.

7. Grants

Small Grant - Abbots Langley Festival (Henderson Hub)

The above application meets the Small Grant criteria but as the Henderson Hub, who are now arranging the Festival, have already had a Financial Grant from the Parish Council in this financial year it fails on the "one grant per annum" rule. The grant would be paid to the Hub, not to a separate bank account.

8. Small Grant Approved

£250 - Abbots Langley Methodist Church to support a project to refurbish the kitchen that is used by many community groups.

9. Committee Expenditure

i. Kitchen & Toilet Refurbishment

Getting quotes has proved to be very difficult. One contractor who visited in May has promised a quote in "a couple of weeks". Others just do not quote.

A new kitchen and bathroom business is opening at the top of College Road, they may be keen on some local business. Clearly other contractors are not.

ii. IT Equipment

Three PC's are between five and seven years old and need replacing. (Facilities Manager, Works Manager and Finance Officer). These will be replaced with high specification Dell all in one desktops which are space efficient as they do not require system boxes.

Our Sage accounting system resides on the Finance Officers PC and the data is shared across the network with the Bookings and Front Desk Officer who uses Sage to create invoices for bookings, pitches, allotments, etc.

As this PC is also around six years old I am considering replacing this at the same time and getting a technician with Sage data sharing experience to carry out the install and configuration. I did this last time the PCs were upgraded and it was right at the edge of my capabilities it took a lot of time and tech support from Sage.

Cost of c. £5,000 will be within my delegated authority. There is currently £25,000 in the earmarked reserve for IT equipment.

iii. Vehicles

There is currently £47,000 in the earmarked reserve for vehicle replacement (Budget 2018-2019). This is a planned reserve that has built up over the past few years to fund the replacement of primarily the Triple (grass cutter).

Triple

Replacement less trade in value of the current would be an apx. £30,000, ideally, we would make the purchase early in 2019 (FY 2018-2019) so the machine is available for the start of the grass cutting season in March. Whilst final numbers will be presented to probably the December meeting of this committee, an agreement in principal to proceed with the replacement would be appropriate.

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Replacement Transit

This is the scheduled replacement of one of the Works Team Ford Transits. As usual we will source a second hand mid-mileage vehicle. As explained in the past dealers move these vehicles quickly, in volume, with a relatively low margin, so availability is almost on a day by day basis.

Initial discussions with the dealers would indicate nett of trade in £11,000-£12,000 will secure the type of vehicle we usually source. Expected life of the vehicle would be five years.

Whilst this expenditure falls within my delegated authority, as with all vehicle purchases I bring them to the attention of this committee.

Tim Perkins

Clerk to the Council
17th July 2018

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