Kington Town Council

Email: clerk@kingtontowncouncil.gov.uk
Web site: www.kingtontowncouncil.gov.uk

Members of the Finance & General Purposes Committee you are hereby summoned to attend a meeting of the

Finance and General Purposes Committee

On Monday 8th August 2022 at 5.00pm

At

The Old Police Station, Market Hall Street, Kington

Committee Members:

Mayor Cllr. D. Redmayne, Deputy Mayor Cllr. Mrs. E. Banks, Deputy Mayor Cllr. R. Widdowson, Cllrs R. Banks, T. Bounds, M. Fitton, F. Hawkins, E. Rolls, & I. Spencer

for the purpose of transacting the following business

AGENDA

1. To note apologies, declarations of interest and requests for dispensation
2. To agree Minutes of the meeting held on 6th June 2022
3. To consider budget report for the period to 30.6.2022
4. To consider draft Annual Risk Review for the year to 31.3.2023
5. To consider draft Statement of Internal Control for the year to 31.3.2023
6. To consider financial impact of externally funded projects
7. To consider quotations and proposals for internal audit for the forthcoming year
8. Items for the next agenda
9. Date of next meeting

Issued on 3.8.2022, by:
Liz Kelso, Town Clerk

Kington Town Council

The Old Police Station, Market Hall Street, Kington, HR5 3DP
Telephone 01544 239098 **email:** clerk@kingtontowncouncil.gov.uk

QUALITY TOWN COUNCIL

Minutes of the Finance & General Purposes Committee Meeting
on Monday 6th June 2022 at the Old Police Station, Kington

PRESENT	IN ATTENDANCE
Cllr. R. Banks - Chairman	
Cllr. E. Banks	Liz Kelso - Clerk
Cllr. M. Fitton	
Cllr. F. Hawkins	
Cllr. D. Redmayne	
Cllr. E. Rolls	
Cllr. R. Widdowson	

	Agenda Item		Actions
F&GP 019-22	1	**Election of Chair** Cllr. R. Banks was duly elected Chair of the committee for the forthcoming year.	
F&GP 020-22	2.	**Apologies, declarations of interest and requests for dispensation** Apologies were noted from Cllr. I. Spencer. Cllr. F. Hawkins declared an interest in agenda item 8 as a recipient of a shop front grant. There were no requests for dispensation.	
F&GP 021-22	3.	**Election of Vice Chairman** Cllr. D. Redmayne was duly elected Vice Chair of the committee for the forthcoming year.	
F&GP 022-22	4.	**Minutes of the previous meeting** The minutes of the meeting held on 25th April 2022 were approved and the Chairman authorised to sign as a true record of proceedings at that meeting.	
F&GP 023-22	5	**Internal audit report for year ended 31.3.2022** Members reviewed the report from the internal auditor for the year ended 31st March 2022, noting that there were no matters that the internal auditor felt should be brought to the attending of the town council.	
F&GP 024-22	6	**Draft AGAR for year ended 31.3.2022** Members noted the draft Annual Governance and Accounting Return for the year ended 31.3.2022 and agreed that this be presented to full council for consideration and completion.	

F&GP 025-22 7 **Exercise of Electors Rights**

Arrangements for the exercise of electors rights were considered and the dates agreed as starting on 13th June and ending on 22nd July. Those wishing to view the accounts and supporting papers will be asked to make an appointment and a councillor will be in attendance at any viewing.

F&GP 026-22 8 **Financial impact of externally funded projects**

- **Outdoor Gym – Herefordshire Green Spaces Fund**
  This project, funded through the Herefordshire Green Spaces Fund is now completed and within budget.

- **Welcome Back Fund Projects**
  The final claim for this funding has been submitted and the total funds claimed, amounting to £18,956, not yet received.

- **Great Places to Visit Fund**
  The three projects funded through this scheme are progressing with an extension to the time for completion of projects now granted by Herefordshire Council to September 2022.

- **Other Projects**

  - **Covid Benches:** The remaining covid memorial bench for the recreation ground is still awaited
  - **Christmas Lights:** A proposal is to be put to full council for additional anchor points for the 2022 season and a report from the installer is expected with regard to the old lights currently held in storage.

F&GP 027-22 9 **Items for the next agenda**

The following items were raised for the next agenda:

- Financial impact of externally funded projects
- Quotations for internal audit for the 2022-2023 financial year

F&GP 028-22 10 **Date of the next meeting**

It was agreed that the next meeting of the F&GP Committee would be rescheduled for Monday 1st August at 5.00pm

There being no further business, the meeting was declared closed.

_____

Chairman

Date: _____

Kington Town Council
Risk Review 2022 - Draft

QUALITY TOWN COUNCIL

Area	Risk	Impact	Probability	Severity	Risk Control Measure
Assets	**Protection of Council Property**				
	• External property (notice boards, benches etc.) damage from vandalism, accidental damage etc.	• Poorly maintained property. • Health & safety concerns	M	L	• Regular monitoring and reporting for repair • Where possible, purchase vandal resistant and ensure installation is by a suitably qualified contractor with appropriate insurance cover
	• Buildings owned by the Town Council	• Risk of increase costs from poor maintenance	M	M	• Regular inspections • Repairs effected promptly to avoid deterioration
	• Documents and records	• Loss of computer records • Loss of important data • Loss of important financial information • Loss of service delivery	L	M	• Offsite/cloud backup facility through Microsoft One Drive • Insurance cover in place

	• Office equipment/furniture etc.	• Loss through damage, theft or fire	L	L	• Regular maintenance of key equipment • Office locked when not in use • Effective maintained alarm system • Adequate insurance in place
Finance	**Income**				
	• Cash	• Loss through theft	L	L	• Cash not held routinely. If cash received, to be banked within 7 days
	• Precept, grants, etc.	• Failure to meet objectives/liabilities • Key projects or services not delivered • Inability to deliver services	M	H	• Ensure adequate budgeting and precept setting processes • Budgetary control measures, regular reporting of progress against budget • Forward planning • Realistic estimates/quotes obtained • Build contingency into projects
	Expenditure				
	• Payments	• Loss through penalties for failure to make payments in timely manner • Fraudulent payments leading to loss • Risk of insufficient signatories to make payments	M	H	• Payments prepared in timely manner & listed by Clerk • Payments checked against invoices • Accounts operated by two out of three authorised signatories

	• Banking arrangements	• Insufficient funds to make payments • Payments not in accordance with financial regulations	L	L	• Maintain sufficient reserves • Payments prepared by person without ability to authorise on the bank • Monthly bank reconciliations • Recurring payments authorised annually • Procedures set up by person other than signatory • Electronic banking used wherever possible
	• Financial controls	• Insufficient resources to meet objectives/projects • Poorly maintained buildings & assets • Inability to carry out management & maintenance of assets • Inability to meet liabilities • Risk of adverse audit report	M	H	• Forward planning • Training for councillors on expenditure procedures • Monitoring of expenditure against budget by F&GP Committee • Regular bank reconciliations
	• PAYE	• Failure to make appropriate and timed payments • Risk of penalties imposed by HMRC	L	M	• Use of payroll provider and/or using HMRC software to ensure accurate calculations & payment • Regular checks & F&GP Committee
	• Budgets & precept setting	• Risk of insufficient resources to meet obligations and service delivery • Operational failures • Loss of confidence by public	L	M	• Create/review forward planning & corporate strategy

	• Expenditure in accordance with legislation & financial standing order	• Risk of adverse audit	M	M	• Regular review of expenditure against budget • Operate under General Power of Competence • Ensure GPOC continuity • Procedures for placing orders and payment of invoices to be confirmed and training provided • Strict adherence to financial regulations
Liability	Risk to third party property or individuals	• Risk of injury or damage to property from activities of the town council or activities deemed to be the responsibility of the town council	M	M	• Risk assessments to be completed before any activity or project is agreed • No activity by volunteers or members without express authority of the town council (Minuted) and strict adherence by all workers (voluntary or otherwise) with any requirements of insurers • Separate risk assessments for Recreation Ground and/or public buildings owned by the Town Council • Training for councillors and staff • Contractor insurance cover in place for all activities where contractors are engaged

					• Contractor insurance to be checked on an annual basis for preferred contractors • Recreation ground user groups to be required to hold insurance for any event/activity on the Recreation Ground
	Risk of injury to volunteers working on behalf of the town council	• Risk of injury or property damage	M	M	• Ensure appropriate risk assessments are carried out, documented and training provided whenever volunteers or others work on behalf of the town council • Supervision of volunteers by suitably qualified individuals wherever possible • Ensure volunteers acknowledge receipt of risk assessments and training provided • Volunteers using own equipment to be made aware of responsibility for own safety • Town Council insurance extended to cover work by volunteers where required and requested to work by the Town Council
Employer Liability	Risk of injury to staff working on behalf of the Town Council	• Risk of failure to comply with appropriate health & safety recommendations for all staff	M	M	• Appropriate health & safety training for staff and councillors • Monitoring of health and safety issues as part of routine Council/Recreation Ground Trust

					business and documenting of isssues raised and actions taken • Appropriate safety testing to be carried out (PAT testing, Legionella testing, etc.) • Provision of safety equipment/clothing and training where required • Ensure appropriate policies in place to deal with employee health and safety issues • Appropriate individual risk assessments for tasks, working environment and other factors relating to the working day of all staff
Legal Liabilities	Risk of actions without appropriate power or authority	• Risk of legal challenge through audit or judicial review	M	M	• Training for councillors and staff • All actions/requests through Clerk • Operating under General Power of Competence • All orders for work, goods or services to come from Proper Officer/Clerk
	Timely reporting when required	• Risk of penalties for late reporting	L	M	• All actions and activities documented through Minutes of meetings. • Transparency Regulations compliance

	Data Protection	• Risk of complaint to ICO for failure to comply with GDPR • Risk of failure to properly identify personal data held • Risk of not providing data subjects with information on data held, purpose and rights of data subjects • Risk of failure to provide information under subject access request • Risk of identifying personal data held	M	H	• Training for all staff and councillors/volunteers • Data audit to be completed annually & documented • Electronic data to be password protected • Separate email address for council related work by councillors • Regular review of data held & purged where appropriate • Data impact assessment for all projects as part of risk assessment processes • Training for Chairs of committees etc. on dealing with potential issues in meetings
	Compliance with FOI requests	• Risk of failure to comply with FOI request when submitted • Risk of not providing information as requested • Risk of non disclosure of information held	M	M	• Training of staff and councillors • All requests for information to be passed to the Clerk
	Social networking	• Risk of damage to the Town Council's reputation from use of social media by the public	M	M	• Compliance with Transparency Regulations at all times • Training of staff and councillors in the value and pitfalls of social media

		• Risk of damage to the Town Council's reputation from the use of social media by staff or councillors			• Social media policy for town councillors and staff • All formal responses on behalf of the Town Council by Clerk and/or authorised Member
Equality & Diversity	Discrimination	• Risk of allegations of discrimination against particular groups through council policies and/or procedures	L	M	• Adopt national guidelines and policies wherever possible • Assess actions/policies for potential inequality of impact on residents • Training for Chairs of Committees on dealing with issues arising within a meeting/public event
Councillor Propriety	Register of Interests Declarations of Interest Code of Conduct	• Risk of complaints against councillors for failure to declare an interest • Risk of complaints to council for decisions taken where declarations of interest not made • Risk of complaints for unauthorised actions resulting from failure of Councillors to adhere to Code of Conduct • Risk of adverse publicity from decisions or actions by councillors and/or staff	H	M	• Training of all councillors and staff on Code of Conduct • Copy of Register of interests to be held by Clerk • Documented check of Registers to be conducted annually • Ensure Register of Interests is completed at each meeting and is available for inspection • Adopt NALC guidelines
Covid 19	Risk of transmission of Covid 19 through the activities of	• Risks associated with use of or exposure to property owned by or	H	H	• Strict adherence to government advice and advice of the HSE and

	the Town Council to members of the public, staff, councillors and volunteers	associated with the town council and recreation ground • Risks associated with attending meetings (formal or informal) of the town council • Risks to staff and councillors from meetings or activities associated with the town council • Functions unable to be carried out due to staff or councillor illness from Covid 19			other bodies at all times with regard to day to day operations of the Town Council • Detailed and documented risk assessments for all actions/functions with specific reference to Covid 19 risks, identifying mitigating measures and compliance where possible with all recommendations • Sharing risk assessments and measures identified with those likely to be at risk • Regular documented review of risk assessments as circumstances or guidance changes • Particular review of working practices to avoid transmission or infection of staff and volunteers so that basic functions can be maintained

KINGTON TOWN COUNCIL
Statement of Internal Control
2022-2023 - Draft

Background

The Accounts and Audit Regulations 2015, as amended, requires that the Council must ensure that it has a sound system of internal control which ensures that the financial management of the council:

- Facilitates the effective exercise of its functions and the achievement of its aims and objectives
- Ensures that the financial and operational management of the council is effective
- Includes the effective arrangements for the management of risk

Local Councils are required to review the effectiveness of the internal control system at least once a year.

Internal Control Environment

The Town Council

- The Town Council consists of 15 town councillors and meets monthly to approve all payments, and to receive reports and recommendations from committees
- The Town Council has appointed a number of committees, with clear terms of reference, which consider aspects of the day to day business of the council, including a Finance and General Purposes Committee which has specific responsibilities for financial matters relating to the operation of the Town Council.
- The Town Council has adopted Standing Orders, Financial Regulations and other policies in accordance with recommended practice and reviews this annually.
- The Town Council operates under General Power of Competence

Town Clerk/Responsible Financial Officer

- The Council has appointed a Clerk to the Council who acts as the Council's advisor and administrator. The Clerk is the Council's responsible Financial Officer and is responsible for administering the Council's finances.
- The Clerk is responsible for the day-to-day compliance with laws and regulations that the Council is subject to and for managing risks. The Clerk also ensures that the Council's procedures, control systems and policies are adhered to

Internal Auditor

- The Town Council has appointed an independent internal auditor who is responsible for reporting to the Town Council on an annual basis
- The Internal Audit report includes a review of systems and procedures, adherence to regulations, compliance with accounting standards and review of risks and contributes to the Annual Governance Statement and Accounting Return of the Town Council.
- At least every three years or as frequently as is felt appropriate, the Finance & General Purposes Committee will review the effectiveness of the Internal Audit process and report this to Full Council
- At least every three years or as frequently as is felt appropriate, the Finance & General Purposes Committee will review the appointment of the Internal Auditor and make recommendations to Full Council
- The appointment or re-appointment of the internal auditor will be agreed on an annual basis

External Audit

- In accordance with the Accounts and Audit Regulations, the external auditor for the region is appointed nationally and for the current year is PKF Littlejohn.
- As a Town Council with a turnover in excess of £25,000 for the year, the Town Council is required to submit an Annual Governance and Accounting Return relating to the financial year ending 31st March in a prescribed format to external auditors for review, no later than 30th June.
- Matters raised by the external auditors must be reviewed by the Town Council each year and the report of the external auditor must be published on the Town Council's website.

Exercise of Electors Rights

- Each year local electors have the right to inspect the accounts and all documents relating to those accounts, including contracts, work orders, reports etc. and to raise any issues thereon with the external auditors during a period of 30 working days which includes the first ten days of July.
- Confirmation of the arrangements for the exercise of electors rights must be published on the Town Council's notice boards and website no later than one day before the start of the specified period.

Internal Control Measures

Accounting records

- All accounting records, cash books, etc. are kept electronically using RBS Alpha Software system.
- Payments are uploaded to the cash book on a monthly basis and reconciled to the bank statement(s) monthly
- Reports generated by the software system form the basis for reports to the F&GP Committee quarterly

Banking

- Unity Bank plc are the Town Council's approved banking providers
- Signatories to the bank account to be approved annually and must consist of at least three authorised signatories with two out of the three being required to authorise all payments, standing orders, direct debits and other instructions to the bank
- Authorised signatories may view accounts and approve payments only
- Any staff member with authority to prepare payments may not also approve payments

Payments

- Depending upon the nature of the supply, all invoices are checked by the Clerk/RFO to confirm that the goods or services have been received, that the price is correctly quoted, invoices are addressed to the Town Council, VAT is correctly identified and there is a corresponding order, invoice or authority for the purchase/supply.
- All payments are listed on a payment schedule for presentation to the relevant meeting of the Town Council for authorisation. Once approved, the payment schedule is attached and forms part of the Minutes of the relevant meeting. Any payment made between meetings, in accordance with the provisions of the financial regulations, are reported at the next available full council meeting.
- Original invoices are retained for inspection, numbered for ease of reference and filed in date order for each financial year.
- Payments are made electronically wherever possible and are uploaded to the bank by the Clerk/RFO at least monthly in accordance with the payment schedule as presented to the meeting
- All payments, whether electronic or by cheque and including direct debit and standing order payments, are authorised by at least two signatories and records of those authorising are available through the banking records.
- Where payment by direct debit is required by a supplier, payments are reviewed and authorised on an annual basis by Full Council.
- Standing Order payments are used for salary payments only and authorised by full council annually.
- Amendments to payee bank details must be authorised by two cheque signatories in accordance with bank payment systems.

Receipts

- Receipts generally consist of the payment of the annual precept, VAT reclaim, income from the markets and any grant receipts which are paid directly into the Town Council bank account
- The Clerk/RFO checks each receipt against amounts expected, that they are correctly calculated and received when due.
- Any income received other than directly into the account must be banked within 7 days of receipt.

VAT

- Clerk/RFO checks all invoices are addressed to the Town Council and that VAT is correctly calculated and shown separately
- A separate account for VAT paid (and received) is maintained and at least annually a claim made under VAT126 to reclaim VAT on non business activities, and reported to the Town Council

PAYE

- All staff contracts are prepared by the Clerk and agreed by the Town Council, indicating salary scale, whether overtime payments are to be made and matters such as holiday pay, sick pay, etc. etc.
- All staff are paid through the PAYE system using HMRCs Basic Tools programme to calculate correct amounts and payments to HMRC as required
- Salaries are paid electronically each month to be received by the employee no later than 28th of each month
- The Clerk prepares payslips detailing gross and net payments, details of deductions etc. and sends these to the relevant staff member no later than the end of each month.
- An annual reconciliation of PAYE payments is made in March of each year to ensure any under or over payment is addressed before the end of the financial year
- Relevant P60s and other payroll documentation is provided to all staff no later than May each year for the preceding tax year

Budgets

- The Finance & General Purposes Committee prepares a budget each year using data from current and previous year expenditure plus plans for activities in the budget year. Work starts in September/October with the aim of presenting the final draft to Full Council for approval in January at the latest.
- Full Council approves the budget for the forthcoming year no later than the January preceding the financial year to which the budget refers
- During the financial year a review of expenditure against budget is carried out quarterly by the Finance & General Purposes Committee and any concerns reported to Full Council at the next available Full Council meeting

Precept

- A recommendation on precept for each year is made by the Finance & General Purposes Committee as part of the budget setting process, taking into account planned level of expenditure for the year and the use of any general or earmarked reserves and approved by Full Council no later than January of the year immediately preceding the financial year to which it refers.
- The Clerk/RFO prepares the necessary Precept request for submission to the Unitary Authority in accordance with the required timescales, retaining a copy of the submission within the accounting records
- As payment is received, the Clerk/RFO checks this against expected payment, reporting receipt to Full Council at the next available meeting.

Purchases

- Financial Regulations, as agreed by Full Council, set out procedures for obtaining quotations or tenders for contracts for goods and services at specified contract levels
- All tenders and specifications for the supply of goods and services are prepared by the Clerk/RFO in accordance with Financial Regulations and other policies and procedures agreed by the Council

- With the exception of routine administrative expenditure and consumables, all orders for goods and services to be approved by Full Council or the Clerk/RFO in accordance with Financial Regulations and Standing Orders

Asset Management

- All acquisitions and disposals to be noted on the asset register by the Clerk/RFO

Insurance and Risk Management

- Adequate levels of insurance to be maintain for all assets and liabilities as recommended by the Town Council's insurance advisors and reviewed annually
- A review of all risks to be carried out annually by the Finance and General Purposes Committee and approved by the Town Council.

Effectiveness of Internal Control Measures

- Each year the Finance & General Purposes Committee will review the effectiveness of the Internal Control Measures and report to Full Council, making recommendations as appropriate.