

**AGENDA PACK**  
**Finance, Legal and Administration committee**  
**Thursday 25<sup>th</sup> June 2015**

**To: Members of the Finance, Legal and Administration Committee (FLAC)**

You are hereby summoned to attend a Committee meeting

To be held in the Village Hall, Lambs Lane, Cottenham on

**Thursday 25<sup>th</sup> June 2015 at 7.15pm**

**AGENDA**

The Public and Press are invited to attend

**15F/114. Chairman's Introduction and Apologies**

**15F/115. Any Questions from the Public or Press** – Standing orders to be suspended  
*Public question time is dealt with prior to the start of the meeting and doesn't form part of the formal business of the Council. Time is limited to 30 minutes and each member of the public is entitled to speak once only in respect of business itemised on the agenda and shall not speak for more than 3 minutes in order to allow other people to also speak without the public session exceeding its allotted time. NB: Councillors will not be able to respond on items on the agenda, but will take notice of the views put forward.*

**15F/116. Declarations of Interest** - To receive disclosures of pecuniary and non-pecuniary interests from Councillors on matters to be considered at the meeting.

*The disclosure must include the nature of the interest. If you become aware, during the course of a meeting, of an interest that has not been disclosed under this item you must immediately disclose it. You may remain in the meeting and take part fully in discussion and voting unless the interest is pecuniary. An interest is pecuniary if a member of the public with knowledge of the relevant facts would reasonably regard it as so significant that it is likely to prejudice your judgement of the public interest and it relates to a financial or regulatory matter.*

**15F/117. Minutes** – to resolve that the minutes (circulated to members) of the Committee meeting held on Tuesday 26<sup>th</sup> May be signed as a correct record.

**15F/118. Update on the Changing rooms project** – Cllr Morris & Mudd

**15F/119. To authorise C.J Murfitt Ltd invoice payment for £34331.14 + VAT £6866.23  
Totalling £41197.37** – Cllr Morris

**15F/120. Update on the Skate park project** – Cllr Morris

**15F/121. To authorise Wheelscape invoice payment for £25985.75 + VAT £5197.16  
Totalling £31182.90** – Cllr Morris

**15F/122. To authorise Anglian Water payment for £176 + VAT £35.20 Totalling 211.20** –  
Cllr Morris

**15F/123. Review of monthly management accounts** – RFO

**15F/124. Review of monthly bank reconciliation (to May 31<sup>st</sup> 2015)** – Cllr Morris

**15F/125. Consider who will undertake the responsibility of checking the bank  
reconciliation each month** – Cllr Morris and RFO

**15F/126. Insurance reassessments – Consider recent valuations of Parish council  
Buildings and Parish council insurance due for renewal in September 2015** – Cllr

Mudd and Morris

- 15F/127. Review of Internal Audit report – Cllr Morris and RFO**
- 15F/128. Town ground rent – Consider obtaining quote to grade and value the land – Cllr Bolitho**
- 15F/129. Consider formulating an IT policy for the Parish council – Cllr Morris**
- 15F/130. Sponsorship of bench outside of post office – Cllr Bolitho**
- 15F/131. Consider the use of a separate sponsorship bank account – Cllr Bolitho**



- 15F/132. Consider FLAC meeting arrangements for August 2015 – RFO and Cllr Morris**
- 15F/133. Consider implications of CPC now being sole trustee of King George V Charity – Cllr Morris**

**15F/134. Consider the disposal of a surplus CPC Laptop - RFO**

**15F/135. Exclusion of public -** To exclude the public from the meeting because of the confidential nature of the business to be discussed.

It is hereby resolved in accordance with section 1 (2) of the Public Bodies (Admission to Meeting) Act 1960 that as publicity would be prejudicial to the public interest by reason of the confidential nature of the business to be transacted at the next agenda item (s) the Chairman asks that in the public interest the public and press are temporarily excluded from this meeting and are herewith instructed to withdraw.

**15F/136. Office space for the Parish Council – Cllrs Morris and Mudd**

**15F/137. Consider Pension arrangements for the Parish council staff – Cllr Bolitho/RFO**

**15F/138. Matters for consideration at the next meeting**

**15F/139. Date of next meeting –**

**15F/140. Close of meeting**

Debbie Seabright – RFO

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17<sup>nd</sup> June 2015

**15F/117.**

**DRAFT MINUTES  
Cottenham Parish Council**

## Finance, Legal and Administration Committee Minutes

Held in the Village Hall, Lambs Lane, Cottenham  
On Tuesday 26<sup>th</sup> May 2015

**Present:** Cllrs: Young, Bolitho, Mudd, Heydon, RFO

**15F/095. To elect the Chairman of the committee and to receive their Declaration of Acceptance of Office** – All committee members present were in favour of Ian continuing as chair and Ian has accepted the declaration of office.

**15F/096. Chairman's introductions and Apologies** – Cllr Morris

**15F/097. Standing orders to be suspended- Any Questions from the Public or Press** – No Public or press present

**15F/098. Standing Orders re-instated- Declarations of interest** – To receive disclosures of pecuniary and non-pecuniary interests from Councillors on matters to be considered at the meeting - none

**15F/099. Minutes** – Minutes from the committee meeting held on the Tuesday 28<sup>th</sup> April are a correct record – **RESOLVED**

**15F/100. Update on the Changing rooms project** – CJ Murfitt took over the site post-Easter as phase 2 began. Third monthly cycle of grant claims cycle in hand. Reconciliation of on-site water-metering in hand. Significant progress with roof trusses which arrived this week. On track for completion towards end of August. Signage (grant recognition) to be arranged prior to opening. Invitation lists and press coverage need consideration. Cllr Morris and Mudd are meeting next Wednesday with architects and contractors.

**15F/101. To authorise the Murfitts Invoice payment** – Resolution to authorise payment for invoice B72889 dated 07/05/15 for £58,283 + VAT (£69,940) - **RESOLVED**

**15F/102. Update on the Skate Park project** - Wheelscape began work on 9<sup>th</sup> April. Existing kit scrapped. Power cable diverted successfully. 90% of SCDC grant will be claimed after first Wheelscape invoice, the rest on completion. Activity on site now increasing. Signage to be arranged. Completion expected around 12<sup>th</sup> June. RoSPA inspection and access pathway completion anticipated shortly after that. Opening event scheduled for 12<sup>th</sup> July, invitations and press coverage to be arranged.

**15F/103. Review of monthly Management accounts** – The committee reviewed the management accounts to 30<sup>st</sup> April 2015.

**15F/104. Review of monthly Bank Reconciliation** - Cllr Morris and RFO completed a bank reconciliation earlier on in the month, the committee accepted the report given by Cllr Morris and RFO.

**15F/105. Insurance reassessment** – Cllr Mudd has been looking into insurance options. Made initial contact with HPN building surveyors Ltd (recommended by Cheffins) who have quoted £125 + VAT for the valuation (rebuild cost) of the village hall and the Ladybirds building. Resolution to give permission to Cllr Mudd to employ HPN building surveyors Ltd for a survey of the village hall and Ladybirds buildings for insurance rebuilding values at a cost of £125 + VAT - **RESOLVED**

**15F/106. Review year end document** – The committee looked at the Year-end document. Cllr Young had a question relating to how our office rent has been accounted for. This is to be discussed with our accountant and rectified. No other queries regarding the accounts.

**15F/107. Consider producing an IT policy for the council** – Defer to next meeting.

**15F/108. Reimbursement of paper/ink costs for Parish Councillors** – Cllr Bolitho has said that since the introduction of the committee system there has been a substantial increase in the amount of printing required by councillors. Request that the council reimburse the councillors with some of these costs. Kate spoke about how a using a projector might be useful in some committees and has requested this as an agenda item for the full council meeting. The committee has asked that this issue be placed on the next full council agenda for further discussion.

**15F/109. Exclusion of public** – To exclude the public from the meeting because of the confidential nature of the business to be discussed.

**15F/110. Pensions for employees of the council** –

**15F/111. Matters for consideration at the next meeting** –

- Update on Changing room's project Cllr Mudd and Morris
- Update on Skate Park project – Cllr Morris
- Review of monthly management accounts (standard item) Cllr Young
- Bank reconciliation (standard item) – Cllr Morris
- Town ground rent – Cllr Bolitho
- IT Policy – Cllr Morris
- Consider information from Pension companies – RFO and Cllr Bolitho
- Sponsorship of Bench outside of post office – Cllr Bolitho
- Purchase of second hand computer to RFO - RFO
- Insurance reassessments – Cllr Mudd

**15F/112. Date of next meeting** – Tuesday 23<sup>rd</sup> June

**15F/113. Close of meeting** – 20.35

Signed \_\_\_\_\_ (Chair) Date \_\_\_\_\_

### **15F/118. Update on the Changing rooms project –**

- C J Murfitt nearing completion of Phase 2; “topping out” expected by 7<sup>th</sup> July
- Short (2-week?) delay anticipated following wind-post / roller-shutter misalignment
- Fourth monthly cycle of grant claims cycle in hand
- Options to finish off access road (turning circle, width/finish) being finalised
- Donations being sought for shopping list of “19 room final fit” items / budget
- Pavilion clocks to be reinstated on two facia
- Signage (grant recognition) to be arranged prior to opening
- Nominations now invited for the formal name of the building
- Invitation lists, Press coverage etc need special consideration

### **15F/120. Update on the Skate park project**

- Now “practically complete” within time and budget; 2.5% “warranty” retainer
- Final Signage (disclaimers and grant acknowledgements) being arranged
- Consideration being given to access pathway for disabled etc
- Opening Event scheduled for 12<sup>th</sup> July; invitations, press coverage etc ...

### **15F/122. To authorise Anglian Water payment for £176 + VAT £35.20 Totalling £211.20**

Section 106 payment to allow us to connect the New Changing Rooms to mains sewerage.

### **15F/124. Review of monthly bank reconciliation (to May 31<sup>st</sup> 2015)**

At 31<sup>st</sup> May our Bank records and financial systems were in agreement barring two small (<£100) items which require further examination by RFO.

We had some:

£612,931.29 recorded in our various Bank and Building Society accounts

£69,939.00 in cheques issued not yet recorded as presented (creditors)

£8,136,43 in amounts due but not yet record as received (debtors)

A true balance of £551,128.72.

### **15F/125. Consider who will undertake the responsibility of checking the bank reconciliation each month**

As soon as practicable, a member of FLAC who is neither a Bank signatory nor Chair of the Council should take over reconciliation of our Bank accounts with our financial systems.

**15F/126. Insurance reassessments – Consider recent valuations of Parish council Buildings and Parish council insurance due for renewal in September 2015**

Recommendation to:

- a) increase immediately the total sum insured for buildings to £1,000,000 following revaluation of Village Hall (now £428,000) and LadyBirds buildings (now £499,000), and to include the SkatePark at £75,000.
- b) Use the revised asset register and recommended insured sums as the basis for insurance renewals tenders

**15F/127. Review of Internal Audit report**

The Internal Audit was conducted on 4<sup>th</sup> June. No significant defects were identified and many positive comments made. Importantly the Annual Return has now been counter-signed and sent off to the External Auditors. (report on following page)

# HEELIS & LODGE

## Local Council Services • Internal Audit

### Internal Audit Report for Cottenham Parish Council – 2014/15

Income: £392,936

Expenditure: £239,115

Reserves: £513,311

#### Annual Return Completion:

Section One:

Yes - signed

Section Two:

Yes - signed

Section Four:

Yes

The following Internal Audit was carried out on the adequacy of systems of control. The following recommendations/comments have been made:

**Proper book-keeping** Cash Book, regular reconciliation of books and bank statements. Supporting vouchers, invoices and receipts

*All were found to be in order. LGA1972 s137 and VAT payments are tracked and identified within the year end accounts. The cashbook is referenced providing a clear audit trail. Supporting paperwork is in place and referenced.*

*A good referencing system is in place, however, this relies on access to SAGE in order to be implemented.*

**Recommendation:** *To record the cheque number on the corresponding invoice to enhance the current referencing system. Ideally signatories should initial the invoice.*

#### **Financial regulations** Standing Orders and Financial Regulations

Tenders

Appropriate payment controls including acting within the legal framework with reference to council minutes

Identifying VAT payments and reclamation

Cheque books, paying in books and other relevant documents

Standing Orders in place:

Yes

Reviewed: 26/2/2015

Financial Regulations in place: Yes  
Reviewed: 22/10/2014 and 3/2/2015

VAT reclaimed during the year: Yes      Registered: Yes  
General Power of Competence: No

*Financial Regulations and Standing Orders in place. It is noted that the Council are in the process of changing bank accounts to Unity Trust and will be using online banking. Financial Regulations are comprehensive and make provision for online banking and credit and debit cards.*

*The tender threshold is set at £60,000. Tender processes have been followed.*

*Interest on the building society account is correctly paid gross.*

*Terms of Reference are in place for committees.*

*The Council became registered for VAT on 1/1/2015.*

**Risk Assessment**      Appropriate procedures in place for the activities of the council

Risk Assessment document in place: Yes  
Data Protection registration: No

*Insurance was in place for the year of audit. The Risk Assessment was adopted on 26/2/2015. The Risk Assessment covers the activities of the Council and makes good reference to Financial Regulations.*

*The Council have good internal financial controls in place. Cheque stubbs and invoices are initialled by signatories. The Clerk provides financial reports to council meetings. Councillors are provided with information to enable them to make informed decisions.*

Fidelity Cover:      £420,000

*The figure for Fidelity cover in the Risk Assessment is detailed as £150,000*

*The level of Fidelity cover is below the recommended guidelines of year end balances plus 50% of the precept. However, it is noted that 2 major capital expenditure projects are currently underway and the remaining bank balances will bring the cover within the guidelines.*

**Budgetary controls**      Verifying the budgetary process with reference to council minutes and supporting documents

Precept: £237,745

Date: 14/1/2014

*Good budgetary procedures are in place. The precept was agreed in full council and the precept decision and amount has been clearly minuted. The Clerk ensures the council are aware of responsibilities, commitments, forward planning and the need for adequate reserves. Budget papers are prepared to ensure councillors have sufficient information to make informed decisions. Budgets are monitored throughout the year.*

**Income controls** Precept and other income, including credit control mechanisms

*All were found to be in order. Income controls were checked and income received and banked cross referenced with the Cash Book and bank statements.*

**Petty Cash** Associated books and established system in place

*A satisfactory expenses system is in place with supporting paperwork. No petty cash is held.*

**Payroll controls** PAYE and NIC in place where necessary.

Compliance with Inland Revenue procedures

Records relating to contracts of employment

PAYE System in place: **Yes**

The Council are operating RTI in accordance with HMRC regulations. Payroll is outsourced. Year end paperwork is in place, detailed wage slips and P60s have been produced. All staff have contracts in place.

The Council are aware of their staging date for pensions.

**Asset control** Inspection of asset register and checks on existence of assets

Cross checking on insurance cover

*A separate asset register is in place. The cost value/purchase price of assets are recorded. The asset register needs updating to include all values. A comprehensive list of assets is identified within the year end accounts. It is noted that the Council have disposed of a number of assets during the year due to the outsourcing of grass cutting.*

**Recommendation:** *To ensure that all assets have a value. It is suggested that where a cost value is not known, to use the last*

*insured value and where an asset is land then it may be more appropriate to give the land a 'community value' of £1.*

**Bank Reconciliation**

Regularly completed and cash books reconcile with bank statements

*All were in order. The bank statements reconciled with the end of year accounts and bank reconciliations for all accounts. Reserves are identified within the balance sheet.*

**Year-end procedures**

Appropriate accounting procedures are used and can be followed through from working papers to final documents

Verifying sample payments and income

Checking creditors and debtors where appropriate.

*End of year accounts are prepared on a Receipts and Payments basis and were all in order. Sample audit trails were undertaken and all were found to be in order. Creditors and debtors are identified.*

**Sole Trustee**

The Council has met its responsibilities as a trustee

*The Council is perceived to be a sole trustee of the King George Field (Charity No: 1082174). There is a query around whether the Parish Council as a corporate body is the Trustee of the Charity and research is being undertaken to ascertain this.*

**Recommendation:** *To tick 'yes' in Box 11 of Section 1 of the Annual Return and again in Box 9, Section 2.*

**Recommendation:** *To identify whether the Parish Council as a corporate body is the trustee of the Charity.*

**Recommendation:** *To clarify with the Parish Council insurance company where liability would lie, ie with the Charity or with the Parish Council. Dependent on their answer, the Charity may require its own insurance. If so, this may require separate accounts including bank account.*

Internal Audit  
**Procedures**

*The Council reviewed the effectiveness of the internal audit at a meeting held on 26/2/2015.*

*There were no recommendations made from the 2013-2014 Internal Audit report carried out by Michael Williamson.*

## External Audit

*The following matters were raised by the External Auditor in relation to the 2013-2014 External Audit:*

*'The body was unable to provide documentary evidence to demonstrate risk management has been considered by those charged with governance during the year.'*

*The Council have implemented an action calendar for reviews to ensure that the mandatory reviews are timetabled into meetings and are carried out within the year.*

*Other minor matters were the balance figure in Box 10, Section 1 and a lack of an adequate explanation for the variance between the prior and current year values in Boxes 2 and 3 of Section 1.*

### Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 3/6/2014, within the required timescale. The first item of business was the Election of Chairman, in accordance with Standing Orders. The signed minutes were not available
- **Recommendation:** To have a copy of the signed minutes in the minute folder.
- There are no additional comments/recommendations to make in relation to this audit.
- I would like to record my appreciation to the Chairman and the Clerk to the Council for her assistance during the course of the audit work



Heather Heelis

**Heelis & Lodge**

4 June 2015

**15F/129.**

**Consider formulating an IT policy for the Parish council**

A draft policy is being prepared to cover use of CPC IT equipment and resources by CPC staff and Councillors. FLAC to consider any specific areas that should or should not be included.