

MALVERN WELLS PARISH COUNCIL

Minutes of the Meeting of the **Finance & General Purposes Committee** duly convened and held in Malvern wells Village Hall **on Thursday 13th April, 2017** commencing **at 7.30pm**.

Attendance: Councillors N Johnson (Chairman), K Wagstaff, M Victory and B Knibb

In Attendance: Mr D M Taverner (Clerk and Responsible Finance Officer)

1 Apologies for absence: Cllrs Mrs H Burrage, Mrs J Smethurst, N Chatten and S Freeman

2 Declarations of Interest

a) Register of Interests: No changes were necessary to the schedule of Members interests which had been previously lodged with the District Council.

b) To declare any Disclosable Pecuniary Interests in items on the Agenda and their nature: There were none.

C) Written requests from Councillors for a Dispensation (S33 of the Localism Act 2011) No such requests had been received.

3 Approval of the minutes of the meeting of the Committee held on 19th January 2017

The minutes of the meeting of the Committee held on 13th January 2017, having been previously circulated, were unanimously approved and signed by the Chairman as an accurate record of that meeting.

4 Matters Arising from the Minutes

There were none.

5 Bank reconciliation statement and budget monitoring at 31st March, 2017

a) The Bank Reconciliation statement to 31st March, 2017: The Clerk presented the figures contained in the previously circulated bank reconciliation which showed that the Council's total cash funds at 31st December, 2017 comprised: -

<i>National Westminster Bank</i>	£
Current Account	100.00
Business Reserve Account	79,801.54
<i>(less) unrepresented items</i>	<i>(2,447.95)</i>
<i>HSBC PLC</i>	
Current Account	25,122.23
3-month fixed deposit a/c 20721891	25,186.57
3-month fixed deposit a/c 90717738	30,431.16
<i>Lloyds PLC</i>	
Current Account	10,965.35
Total Cash held at 31st March, 2017	£169,158.90

The level of funds within each of the Council's banks was continuing to be monitored to ensure that total cash held, with each bank, was spread adequately so as to mitigate any deposit risk. The Clerk advised that with effect from 1st February 2017 the Bank of England's Deposit Guarantee scheme had been extended to cover Parish Council deposits of up to £85k with individual banks covered by the scheme. Surplus funds were continuing to be invested at the most favourable rates offered by the Council's bankers. The Chairman reviewed the individual bank statements presented for verification purposes.

b) 2016/17 Draft Final accounts. The Clerk presented the previously circulated report showing actual income and expenditure for the period ending 31st March 2017.

Members noted that actual expenditure for the year had out turned at some £78.1K representing an underspend of £31.6K against the original 2016/17 expenditure budget.

The main reasons for the underspend were: - slippage on play facility projects (£18k), General administration savings (£3.1K), savings on Neighbourhood plan expenditure (£5k) and net savings on planned spending at the parish cemetery (£3.4K).

At £101.9k income for the year was £9.1k more than originally anticipated due principally to an increase in the amount of VAT reclaimed relating to expenditure made during the previous financial year.

The level of the Council's General Reserve at 30th March 2017 had risen to £56.3K. Earmarked Reserves at 31st March 2017 totalled some £112.8K.

The Accounts would now be sent to the Council's internal auditor for inspection. The Council's statutory annual return would be submitted to the full Council for approval at its meeting on 24th May before being submitted to the external auditors Grant Thornton UK PLC.

7. Risk Register

The clerk advised that he had undertaken a full review and update of the Council's Risk Register and a copy of the revised register would now be sent to the Committee's Chairman for review. The Risk register statements could be made available to any Member of the Council on request

8. Protocol for authorisation of Electronic banking payments.

The Clerk circulated details of a proposed protocol (attached at Appendix 1 to these minutes) for the payment and authorisation of electronic bank payments. It was agreed to recommend to Council that the suggested protocol should be assimilated into the Council's Financial Regulations.

There being no other business the Chairman closed the meeting at 8.20pm

Chairman-----

N Johnson

Dated 13th July, 2017

Summary of Recommendations to Council on 26th April 2017: -

R1 That the Council be recommended to approve the Draft Final Accounts and Annual Governance Statement for 2016/17 – subject to audit by the Council's Internal and external auditors

R2 That the Council be recommended to approve the revised and updated Risk register presented as at 31st March 2017

R3 That the Council be recommended to approve the protocol for electronic payments for assimilation into the Council's Financial Regulations

**Draft Electronic Payments Policy
Finance and General Purposes Committee 13th April, 2017
Malvern Wells Parish Council Policy for Electronic Payments**

It is intended that this Electronic Payments Policy will be recommended for adoption by Full Council at its Meeting which is due to be held on 26 April 2016. It will then form part of the Council's Financial Regulations.

Background

The Clerk records all the Council's financial transactions on a series of linked Excel spreadsheets which are updated immediately a transaction occurs. This generates reports for the quarterly bank reconciliation and budget monitoring reports which are presented to the F&GP Committee, together with the latest copies of the Council's Bank Statements.

A list of invoices for payment is presented at each full Parish Council meeting for approval.

This list will identify which payments are to be made by cheque, which are electronic transfer payments and which are direct debits.

Once the payments schedule has been approved by the Council, the RFO will either create the payment for approval on the Lloyds Bank payment system, or will raise a cheque for the approved signatories to sign. As far as possible the use of the cheque payments will be avoided in future.

Electronic Payments Authorisation

All electronic payments will need to be authorised by two Councillors whose names appear on the list of authorised signatories.

The RFO will ensure that two of the authorised signatories, who have agreed to authorise the payments which are due, receive a copy of the approved payment schedule together with a specific time and date by which the authorisation process should be completed on the Lloyds Bank system to avoid the payments being rejected. The authorised signatories will send an e-mail confirmation to the RFO as soon as they have completed their part of the authorisation process. The RFO will retain these confirmations on file for audit purposes.

If any member encounters difficulty in completing the electronic approval process they should immediately contact the RFO so that he/she can take any action necessary to resolve the matter.

To authorise electronic payments authorised signatories have been given access to the Council's Lloyds Bank Account. Councillors have individual passwords and pin numbers to allow for this process to be undertaken and they are responsible for ensuring the safety and security of their personal information and must not divulge it to any third party.

Payments Schedules

This will be sent to the two Councillors, who have agreed to undertake the electronic authorisation process, immediately following the approval of the schedule by the Council. The payments schedule will show the latest date and time by which payments must be authorised to prevent the payment being rejected by the Bank.

Cheques

There may be occasional circumstances in which the Council still needs to issue cheques, these do not require electronic authorisation, but the cheque would need to be signed by 2 Councillors from the approved list.

Receipts

These are processed and recorded by the RFO and are open to inspection by Councillors at any time.

Bank Accounts and Logging in

Each Councillor and Staff member who has access, to the Lloyds account uses an individual personalized username and password. This should NOT be shared. There are two types of authorisation:

- **Create only** – This is the account type held by the RFO to allow him/her to submit items for payment and to view transactions.
- **Create and Authorise** – This is the account type held by Councillors and allows them to view all transactions and, where awaiting authorisation, either authorise, or reject expenditure. Each transaction will need the approval of two authorised Councillors and the RFO

ALL submissions and authorisation are logged independently by the bank.

The RFO and authorisers should always check

- **Are the correct bank details shown?**
- **If there is a reference, does it match up properly?**
- **Is the value correct?**
- **Are the payees shown people you expect?**

Remember

If any Member has any concerns about any transaction, they should not Authorise it and should Contact the RFO or Chairman of Finance, or the Council immediately for investigation

Dianne Malley, who is the Council's Internal Auditor, is available to undertake investigations should the need arise.

Undertaking Spot Checks

The designated Finance and General Purposes Committee Members can also undertake random spot checks of the Council's accounts, at a time agreed between themselves and the RFO.

Statements

The Bank Statements are available to view on line from the Lloyds Bank System and are made available at the quarterly F & GP Committee meetings.

What's in the Public Domain?

Under the Transparency Code the Council has put as much as possible in to the public domain on the Council's website via the Full Council minutes.

Copies of the Budget and the quarterly reconciliations are reported through Full Council and the Finance & General Purposes Committee as appropriate.