



Fair Oak & Horton Heath Parish Council

2 Knowle Park Lane, Fair Oak, Eastleigh, SO50 7GL

Telephone: (023) 8069 2403 email: enquiries@fairoak-pc.gov.uk

SUMMONS

Dear Member

26 June 2018

You are hereby summoned to attend a meeting of FINANCE & STAFFING COMMITTEE at the Parish Offices, 2 Knowle Park Lane, Fair Oak on **Monday, 2 July 2018 at 7.00 p.m.** *or at the conclusion of the public participation period.

Melanie Stephens

Melanie Stephens
Clerk

PUBLIC PARTICIPATION:

*If required, the meeting will be preceded by a public participation period of up to 15 minutes, where members of the public are entitled to address the Committee on issues relevant to the business of the Parish Council.

AGENDA

1. APOLOGIES

To note any apologies for absence.

2. DECLARATIONS OF INTEREST

To note any declarations of interest made by members in connection with an agenda item. The nature of the interest must also be specified.

3. MINUTES

To confirm the minutes of the meeting held on 5 March 2018 (approved by the Full Council on 16 April 2018) as a correct record, and to note any matters arising not dealt elsewhere on this agenda.

4. QUARTERLY FINANCE UPDATE (REPORT A, PAGES 3 – 12)

To note the finance position of the Parish Council and to agree the recommendations as set out in the report.

5. INTERNAL AUDIT (REPORT B, PAGES 12 – 15)

To consider the report of the Internal Auditor and to approve the appointment of the Internal Auditor for the financial year 2018/19.

6. FINANCIAL RISK ASSESSMENT (REPORT C, PAGES 16 – 22)

To approve the review of the Council's Financial Risk Assessment.

To: Committee Members

Cllr P Barrett
Cllr Mrs H Douglas (Chairman)
Cllr J Goss
Cllr H McGuinness
Cllr J Noel
Cllr R Rushton
Cllr J Sorley
Cllr P Spearey

Officers

Mrs J Cahill (Responsible Finance Officer)
Mrs Greenslade (Deputy Clerk)
Ms M Stephens (Clerk)

FINANCE & STAFFING COMMITTEE – 2 JULY 2018

QUARTERLY FINANCE REPORT

1. PURPOSE

- 1.1 To update members on the Council's financial position to date, including expenditure in the first quarter of the financial year.
- 1.2 To seek member approval for direct debits, allocation of a credit card for the Responsible Finance Officer and any grant requests received.

2. EXPENDITURE TO DATE

- 2.1 The Parish Council's current expenditure up to 25 June 2018 is £71,332. The expenditure is higher than this time last year. This is largely due to the furnishing of the Woodland Community Centre and the setting up of necessary utilities (gas, electric, water, broadband) for the Centre. This has been spent from the previously approved budget allocation for this cost code.
- 2.2 The full accounting information relating to expenditure to date is set out in **Appendix 1**.

3. APPROVAL OF DIRECT DEBITS

- 3.1 The Council, at its meeting every July, approves the existing the direct debits on account. Members will note that new direct debits have been set up in relation to the Woodland Community Centre (see 2.1 above). A list of current direct debits is attached at **Appendix 2 (to follow)**.

4. CREDIT CARD FOR RESPONSIBLE FINANCE OFFICER

- 4.1 The Responsible Finance Officer, in order to carry out her functions and duties requires access to a Parish Council credit card. Members are therefore asked to approve this request so that the Parish Clerk can make arrangements for this to be authorised.

5. SECTION 137 GRANT REQUESTS

- 5.1 Members will be aware that the Parish Council has a grant award scheme open all local voluntary and community Groups. To date, the Clerk has not received any applications in this regard.

6. PAY AWARD 2018

- 6.1 Members were informed at the 16 April 2018 Council meeting, that national agreement had been reached with a 2% pay increase agreed for local government officers. The 2% pay increase on staff salaries has now been applied to staff wages from April 2018. This increase had been budgeted for in the 2018/19 budget.

7. MEMBERS' I.T EQUIPMENT

- 7.1 At the Policy Committee held on 18 June 2018, members agreed to the purchase of .gov email addresses to ensure that the Parish Council complies with GDPR legislation. For members to access their email, and the safeguard the data held by individual members, it is recommended that all members' have access to an ipad. The ipad would be the property of the Parish Council, meaning that if an individual member leaves the Parish Council, the ipad and all the data, would be retained by the Council, to safeguard against potential data breaches.
- 7.2 As the purchase of I.T equipment has not originally budgeted for, it is recommended that the sum of £5,000 be moved from the General Reserve to Ear Marked Reserves,

with the Clerk sourcing ipads for all 15 members and two for officers, plus the set-up cost within this budget.

8. RECOMMENDATIONS

- 8.1 That the Committee notes the contents of the report and approves the following; -
- a) That the current expenditure set out in Appendix 1 be noted;
 - b) That the direct debits, attached at Appendix 2 be approved;
 - c) That the Responsible Finance Officer be granted a Parish Council credit card; and
 - d) That £5,000 be transferred from the General Reserve into the Ear Marked Reserves for the purchase of I.T equipment, as set out in paragraph 7.1 above.

For further information:

Melanie Stephens, Parish Clerk
clerk@fair-oak-pc.gov.uk

25/06/2018

Fair Oak and Horton Heath Parish Council

Page 1

14:42

Detailed Income & Expenditure by Budget Heading 25/06/2018

Month No: 3

Cost Centre Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
100 Income							
1076 Precept	208,987	0	(208,987)			0.0%	
1090 Interest Received	358	1,000	642			35.8%	
1110 Photocopying Income	0	100	100			0.0%	
1120 Community Events Income	0	600	600			0.0%	
1200 Hiring Fees	53	0	(53)			0.0%	
1300 Football Income	1,563	1,000	(563)			156.3%	
1310 Cricket Income	0	1,700	1,700			0.0%	
1900 Other Income	45	500	455			8.9%	
Income :- Income	211,005	4,900	(206,105)			4306.2%	0
Movement to/(from) Gen Reserve	211,005						
110 Administration							
4000 Salaries	12,438	81,404	68,966		68,966	15.3%	
4010 Employer's Pension	3,750	18,934	15,184		15,184	19.8%	
4030 Sickness/Holiday Cover	0	3,000	3,000		3,000	0.0%	
4055 Insurance	1,474	10,500	9,026		9,026	14.0%	
4060 Audit	850	2,000	1,150		1,150	42.5%	
4070 Legal & Professional Fees	887	2,000	1,113		1,113	44.3%	
4075 Postage	0	450	450		450	0.0%	
4080 Stationery	117	800	683		683	14.6%	
4085 Printer Consumables	161	750	589		589	21.5%	
4090 Admin Maintenance	314	2,000	1,686		1,686	15.7%	
4095 Bank Charges	0	30	30		30	0.0%	
4100 Chairman's Allowance	148	300	152		152	49.2%	
4105 Conference/Training/Staffing	0	2,500	2,500		2,500	0.0%	
4110 Clothing	146	1,000	854		854	14.6%	
4115 Newsletter	760	3,500	2,740		2,740	21.7%	
4120 Telephone & Broadband	174	1,000	826		826	17.4%	
4125 Mobile Phone	(0)	500	500		500	(0.1%)	
4132 Subscriptions	1,919	1,700	(219)		(219)	112.9%	
4133 Software and support	1,412	2,500	1,088		1,088	56.5%	
4140 Card Payments	0	300	300		300	0.0%	
4150 Website	480	800	320		320	60.0%	
4160 Noticeboards	0	2,500	2,500		2,500	0.0%	
4990 Sundry Expenses	174	1,500	1,326		1,326	11.6%	
Administration :- Indirect Expenditure	25,201	139,968	114,766	0	114,766	18.0%	0
Movement to/(from) Gen Reserve	(25,202)						

Detailed Income & Expenditure by Budget Heading 25/06/2018

Month No: 3

Cost Centre Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
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150 Parish Office

4055 Insurance	(1,420)	0	1,420		1,420	0.0%	
4120 Telephone & Broadband	2	0	(2)		(2)	0.0%	
4395 Business Rates	1,656	500	(1,156)		(1,156)	331.2%	
4400 Gas	76	1,000	924		924	7.6%	
4405 Electricity	0	800	800		800	0.0%	
4410 Water	0	500	500		500	0.0%	
4420 CCTV Maintenance	0	500	500		500	0.0%	
4425 Health & Safety	1,494	500	(994)		(994)	298.9%	
4435 Cleaning	217	300	83		83	72.2%	
4440 Contract cleaning	775	7,800	7,025		7,025	9.9%	
4990 Sundry Expenses	126	0	(126)		(126)	0.0%	

Parish Office :- Indirect Expenditure

2,925	11,900	8,975	0	8,975	24.6%	0
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Movement to/(from) Gen Reserve

(2,925)

200 Property Maintenance Staff

4000 Salaries	15,838	114,223	98,386		98,386	13.9%	
4010 Employer's Pension	5,575	15,623	10,048		10,048	35.7%	
4030 Sickness/Holiday Cover	0	3,000	3,000		3,000	0.0%	

Property Maintenance Staff :- Indirect Expenditure

21,413	132,846	111,433	0	111,433	16.1%	0
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Movement to/(from) Gen Reserve

(21,413)

210 Machinery and Van

4300 Machinery - General Repairs	111	5,500	5,389		5,389	2.0%	
4305 Fuel	857	7,000	6,143		6,143	12.2%	
4310 Road Tax	500	500	0		0	100.0%	
4315 Maintenance - Vans	483	1,250	767		767	38.6%	
4320 Vehicle Insurance	0	3,000	3,000		3,000	0.0%	
4595 General Maintenance	4	0	(4)		(4)	0.0%	

Machinery and Van :- Indirect Expenditure

1,955	17,250	15,295	0	15,295	11.3%	0
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Movement to/(from) Gen Reserve

(1,955)

230 Crowdhill Community Building

1200 Hiring Fees	0	25,000	25,000			0.0%	
1900 Other Income	2,055	0	(2,055)			0.0%	
Crowdhill Community Building :- Income	2,055	25,000	22,945			8.2%	0
4120 Telephone & Broadband	0	1,000	1,000		1,000	0.0%	
4400 Gas	0	1,200	1,200		1,200	0.0%	

Detailed Income & Expenditure by Budget Heading 25/06/2018

Month No: 3

Cost Centre Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
4405 Electricity	0	800	800		800	0.0%	
4410 Water	0	500	500		500	0.0%	
4415 Repairs	0	500	500		500	0.0%	
4425 Health & Safety	125	3,000	2,875		2,875	4.2%	
4435 Cleaning	0	300	300		300	0.0%	
4440 Contract cleaning	0	10,920	10,920		10,920	0.0%	
4450 Equipment - Internal	1,148	0	(1,148)		(1,148)	0.0%	
4455 Equipment - External	3,763	0	(3,763)		(3,763)	0.0%	
4680 General Bin Emptying	0	1,000	1,000		1,000	0.0%	
Crowdhill Community Building :- Indirect Expenditure	5,036	19,220	14,184	0	14,184	26.2%	0
Movement to/(from) Gen Reserve	(2,982)						
<u>240 Pavilion</u>							
4120 Telephone & Broadband	157	1,000	843		843	15.7%	
4400 Gas	(436)	1,000	1,436		1,436	(43.6%)	
4405 Electricity	(212)	800	1,012		1,012	(26.5%)	
4410 Water	0	500	500		500	0.0%	
4415 Repairs	200	12,600	12,400		12,400	1.6%	
4420 CCTV Maintenance	0	1,000	1,000		1,000	0.0%	
4425 Health & Safety	388	2,000	1,612		1,612	19.4%	
4430 Kitchen	0	500	500		500	0.0%	
4435 Cleaning	53	300	247		247	17.6%	
Pavilion :- Indirect Expenditure	151	19,700	19,549	0	19,549	0.8%	0
Movement to/(from) Gen Reserve	(151)						
<u>250 HHCC</u>							
4120 Telephone & Broadband	83	1,000	917		917	8.3%	
4420 CCTV Maintenance	200	200	0		0	100.0%	
HHCC :- Indirect Expenditure	283	1,200	917	0	917	23.6%	0
Movement to/(from) Gen Reserve	(283)						
<u>280 Other Properties</u>							
4480 Bus Shelters	0	200	200		200	0.0%	
4485 Memorial	0	100	100		100	0.0%	
4490 Memorial Clock	0	200	200		200	0.0%	
4500 Speedwatch	0	200	200		200	0.0%	
4505 Village Flowers	0	1,900	1,900		1,900	0.0%	
Other Properties :- Indirect Expenditure	0	2,600	2,600	0	2,600	0.0%	0
Movement to/(from) Gen Reserve	0						

Detailed Income & Expenditure by Budget Heading 25/06/2018

Month No: 3

Cost Centre Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
290 General Grounds Maintenance							
4530 Equipment - Purchases	124	2,000	1,876		1,876	6.2%	
4535 Equipment - Maintenance	178	1,500	1,322		1,322	11.9%	
4540 Materials	201	1,500	1,299		1,299	13.4%	
General Grounds Maintenance :- Indirect Expenditure	503	5,000	4,497	0	4,497	10.1%	0
Movement to/(from) Gen Reserve	(503)						
300 Lapstone Playing Fields							
4570 Equipment - Cricket Maint.	0	500	500		500	0.0%	
4575 Cricket (Winter)	0	500	500		500	0.0%	
4580 Football	0	1,500	1,500		1,500	0.0%	
4585 Tennis	0	500	500		500	0.0%	
4590 Pitch Maintenance	7,990	8,000	10		10	99.9%	
4595 General Maintenance	0	1,000	1,000		1,000	0.0%	
4600 Dog Bin Emptying	47	200	153		153	23.4%	
4680 General Bin Emptying	0	1,000	1,000		1,000	0.0%	
Lapstone Playing Fields :- Indirect Expenditure	8,037	13,200	5,163	0	5,163	60.9%	0
Movement to/(from) Gen Reserve	(8,037)						
310 Knowle Park							
4595 General Maintenance	320	2,000	1,680		1,680	16.0%	
4630 Fencing	306	500	194		194	61.2%	
4640 Water Supply -White Tree Close	0	100	100		100	0.0%	
4645 Seating/Bins	0	200	200		200	0.0%	
Knowle Park :- Indirect Expenditure	626	2,800	2,174	0	2,174	22.4%	0
Movement to/(from) Gen Reserve	(626)						
320 New Century Park							
4420 CCTV Maintenance	250	1,000	750		750	25.0%	
4595 General Maintenance	0	1,000	1,000		1,000	0.0%	
4670 Signs & Bins	0	200	200		200	0.0%	
New Century Park :- Indirect Expenditure	250	2,200	1,950	0	1,950	11.4%	0
Movement to/(from) Gen Reserve	(250)						
330 Knowle Hill							
4545 Fly tipping	0	250	250		250	0.0%	
4595 General Maintenance	0	500	500		500	0.0%	
4675 Signs	0	100	100		100	0.0%	
Knowle Hill :- Indirect Expenditure	0	850	850	0	850	0.0%	0
Movement to/(from) Gen Reserve	0						

Detailed Income & Expenditure by Budget Heading 25/06/2018

Month No: 3

Cost Centre Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
350 Lapstone Farm							
4595 General Maintenance	0	500	500		500	0.0%	
4670 Signs & Bins	0	100	100		100	0.0%	
4790 Footpaths	0	500	500		500	0.0%	
Lapstone Farm :- Indirect Expenditure	<u>0</u>	<u>1,100</u>	<u>1,100</u>	<u>0</u>	<u>1,100</u>	<u>0.0%</u>	<u>0</u>
Movement to/(from) Gen Reserve	<u>0</u>						
360 Oak Walk							
4595 General Maintenance	0	500	500		500	0.0%	
4670 Signs & Bins	0	100	100		100	0.0%	
Oak Walk :- Indirect Expenditure	<u>0</u>	<u>600</u>	<u>600</u>	<u>0</u>	<u>600</u>	<u>0.0%</u>	<u>0</u>
Movement to/(from) Gen Reserve	<u>0</u>						
370 Daisy Dip							
4595 General Maintenance	0	500	500		500	0.0%	
4670 Signs & Bins	0	100	100		100	0.0%	
Daisy Dip :- Indirect Expenditure	<u>0</u>	<u>600</u>	<u>600</u>	<u>0</u>	<u>600</u>	<u>0.0%</u>	<u>0</u>
Movement to/(from) Gen Reserve	<u>0</u>						
380 Wyvern Meadow							
4595 General Maintenance	0	500	500		500	0.0%	
4675 Signs	0	100	100		100	0.0%	
Wyvern Meadow :- Indirect Expenditure	<u>0</u>	<u>600</u>	<u>600</u>	<u>0</u>	<u>600</u>	<u>0.0%</u>	<u>0</u>
Movement to/(from) Gen Reserve	<u>0</u>						
400 Play Areas General							
4750 ROSPA Fees	344	1,000	656		656	34.4%	
Play Areas General :- Indirect Expenditure	<u>344</u>	<u>1,000</u>	<u>656</u>	<u>0</u>	<u>656</u>	<u>34.4%</u>	<u>0</u>
Movement to/(from) Gen Reserve	<u>(344)</u>						
410 New Century Park Play Area							
4595 General Maintenance	0	500	500		500	0.0%	
4670 Signs & Bins	0	100	100		100	0.0%	
New Century Park Play Area :- Indirect Expenditure	<u>0</u>	<u>600</u>	<u>600</u>	<u>0</u>	<u>600</u>	<u>0.0%</u>	<u>0</u>
Movement to/(from) Gen Reserve	<u>0</u>						

Detailed Income & Expenditure by Budget Heading 25/06/2018

Month No: 3

Cost Centre Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
420 Dean Road Play Area							
4595 General Maintenance	0	500	500		500	0.0%	
4670 Signs & Bins	0	100	100		100	0.0%	
Dean Road Play Area :- Indirect Expenditure	<u>0</u>	<u>600</u>	<u>600</u>	<u>0</u>	<u>600</u>	<u>0.0%</u>	<u>0</u>
Movement to/(from) Gen Reserve	<u>0</u>						
430 Meadowsweet Way Play Area							
4595 General Maintenance	932	1,000	68		68	93.2%	
4670 Signs & Bins	84	100	16		16	84.4%	
Meadowsweet Way Play Area :- Indirect Expenditure	<u>1,016</u>	<u>1,100</u>	<u>84</u>	<u>0</u>	<u>84</u>	<u>92.4%</u>	<u>0</u>
Movement to/(from) Gen Reserve	<u>(1,016)</u>						
440 Knowle Park Play Area							
4595 General Maintenance	160	20,000	19,840		19,840	0.8%	
4670 Signs & Bins	0	100	100		100	0.0%	
4770 Skatepark	0	1,000	1,000		1,000	0.0%	
Knowle Park Play Area :- Indirect Expenditure	<u>160</u>	<u>21,100</u>	<u>20,940</u>	<u>0</u>	<u>20,940</u>	<u>0.8%</u>	<u>0</u>
Movement to/(from) Gen Reserve	<u>(160)</u>						
500 Allotments							
1500 Allotment Income	0	2,700	2,700			0.0%	
Allotments :- Income	<u>0</u>	<u>2,700</u>	<u>2,700</u>			<u>0.0%</u>	<u>0</u>
4410 Water	29	0	(29)		(29)	0.0%	
4800 Allotments - Knowle Park	225	2,000	1,775		1,775	11.2%	
4805 Allotments - Campbell Way	0	100	100		100	0.0%	
4810 Allotments - Knowle Lane Ditch	0	1,500	1,500		1,500	0.0%	
Allotments :- Indirect Expenditure	<u>254</u>	<u>3,600</u>	<u>3,346</u>	<u>0</u>	<u>3,346</u>	<u>7.0%</u>	<u>0</u>
Movement to/(from) Gen Reserve	<u>(254)</u>						
510 Cemetery							
1520 Burials Income	0	8,000	8,000			0.0%	
1530 Memorials Income	0	2,400	2,400			0.0%	
1540 Cremation Income	254	4,000	3,746			6.3%	
Cemetery :- Income	<u>254</u>	<u>14,400</u>	<u>14,146</u>			<u>1.8%</u>	<u>0</u>
4410 Water	194	200	6		6	97.0%	
4595 General Maintenance	0	500	500		500	0.0%	
Cemetery :- Indirect Expenditure	<u>194</u>	<u>700</u>	<u>506</u>	<u>0</u>	<u>506</u>	<u>27.7%</u>	<u>0</u>
Movement to/(from) Gen Reserve	<u>60</u>						

Detailed Income & Expenditure by Budget Heading 25/06/2018

Month No: 3

Cost Centre Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
550 Trees							
4825 Tree survey	0	2,000	2,000		2,000	0.0%	
4830 Trees - Lapstone Playing Field	0	500	500		500	0.0%	
4831 Trees - Knowle Park	0	1,500	1,500		1,500	0.0%	
4832 Trees - New Century Park	0	500	500		500	0.0%	
4833 Trees - Knowle Hill	0	500	500		500	0.0%	
4834 Trees - Lapstone Farm	0	500	500		500	0.0%	
4835 Trees - Oak Walk	0	500	500		500	0.0%	
4836 Trees - Daisy Dip	0	500	500		500	0.0%	
4837 Trees - Wyvern Meadow	0	500	500		500	0.0%	
4838 Trees - Fair Oak Cemetery	0	500	500		500	0.0%	
4839 Trees-HHCC open space	0	500	500		500	0.0%	
Trees :- Indirect Expenditure	0	8,000	8,000	0	8,000	0.0%	0
Movement to/(from) Gen Reserve	0						
600 Other Expenses							
1600 Community Events Income	455	1,500	1,045			30.3%	
Other Expenses :- Income	455	1,500	1,045			30.3%	0
4850 Section 137 - Grants	0	4,000	4,000		4,000	0.0%	
4855 Section 137 - Street Pastors	500	500	0		0	100.0%	
4860 Village Centre Project	0	1,000	1,000		1,000	0.0%	
4865 Election Expenses	0	1,000	1,000		1,000	0.0%	
4870 Youth Project	0	25,000	25,000		25,000	0.0%	
4875 Community Events Expenditure	127	4,700	4,573		4,573	2.7%	
4880 PCSO Funding	0	8,000	8,000		8,000	0.0%	
Other Expenses :- Indirect Expenditure	627	44,200	43,573	0	43,573	1.4%	0
Movement to/(from) Gen Reserve	(172)						
900 Reserves Spend							
4994 New Office&Compund General	3,767	0	(3,767)		(3,767)	0.0%	4,800
4996 RBS Software from gen reserve	(1,412)	0	1,412		1,412	0.0%	
Reserves Spend :- Indirect Expenditure	2,356	0	(2,356)	0	(2,356)		4,800
6000 plus Transfer from EMR	4,800						
Movement to/(from) Gen Reserve	2,445						

Detailed Income & Expenditure by Budget Heading 25/06/2018

Month No: 3

Cost Centre Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
Grand Totals:- Income	213,769	48,500	(165,269)			440.8%	
Expenditure	71,332	452,534	381,202	0	381,202	15.8%	
Net Income over Expenditure	<u>142,437</u>	<u>(404,034)</u>	<u>(546,471)</u>				
plus Transfer from EMR	4,800						
Movement to/(from) Gen Reserve	<u>147,237</u>						

FINANCE & STAFFING COMMITTEE – 2 JULY 2018

INTERNAL AUDIT

1. PURPOSE

- 1.1 To review the report of the Internal Auditor dated April 2018.
- 1.2 To consider the appointment of the Internal Auditor for 2018/19 as Eleanor Greene, “Do the Numbers Limited”.

2. INTERNAL AUDIT REPORT

- 2.1 The Internal Auditor’s report for the financial year ending March 2018 is attached at **Appendix 1**.
- 2.2 The report did not highlight any issues of concern. Where there were recommendations, the Parish Clerk has undertaken to address these.

3. RECOMMENDATIONS

- 3.1 That the contents of the internal Auditors report be noted; and
- 3.2 That the Council approves the appointment of Eleanor Greene, “Do the Numbers Limited” as the Internal Auditor for the financial year 2018/19.

For further information:

Melanie Stephens, Parish Clerk
clerk@fairoak-pc.gov.uk

Background papers:

None.

Do the Numbers Limited

18th April 2018

Melanie Stephens, Clerk
 Fair Oak and Horton Heath Parish Council
 Village Hall,
 Shorts Road
 Fair Oak,
 SO50 7EJ

Dear Melanie,

Subject: Review of matters arising from Internal Audit for 31 March 2018

Please find below the list of matters arising following my visits today and during the year.

Overall I found the records of the council to be in very good order and that the transfer of accounting systems and staff changes have been handled in an exemplary manner.

Control area	Issue	Recommended Action
Agenda pack website uploads	At present, every document within the agenda pack is uploaded individually to the website for the next meeting. This increases omission risk.	The council might benefit from purchasing one of the PDF software packages that allows documents to be combined – allowing better compliance with the Transparency Code and better use of officer time.
Purchase and Sales ledgers	The software has a sales ledger available, but not yet a purchase ledger.	The sales ledger should be used for all billing from now on to familiarise all officers with the debtor system in advance of the new buildings increasing the number of transactions.
Members interests	The council currently uploads individual unredacted forms, some of which have not been completed as per best practice.	The council website should link to that of the Borough (here) to ensure that the two sets are always the same.
Financial reports	The Rialtas software is able to generate any report directly to PDF from the screen.	To reduce staff time and reduce the risk of incomplete scans, the electronically generated version of reports should go into agenda and minute packs.
Transparency Code	The Council is subject to the Transparency Code on its website, however a good proportion of the required information is not currently shown.	Once the new staff are in post, the checklist here (page 28) should be applied, with particular note of the requirements regarding agenda packs and three years of minutes to be published.

37 Upper Brownhill Road, Southampton, SO16 5NG

eleanorgreene@thedunnefamily.co.uk

Registered in England No. 7871759

Director: Eleanor S Greene

Website documents	It is best practice to ensure that all published documents are in a format that is not easy to edit (PDF rather than Word)	When the website is being reviewed and updated over the coming months, document formats should be amended.
Year end document pack	As this was the first full year end on the new software, not all of the reports needed had been printed in advance of the final visit, but they were simple to generate.	The RFO has the pack for this year which should be used as the proforma for future years both for year end and for mid year balance sheet checks
Website asset registers	The former clerk is bringing much of the website up to date, in particular to reflect projects completed under their tenure.	Clear maps of land, assets and facilities are a requirement of the transparency code, and would be of benefit to new and existing residents of the parish.

Please find enclosed my invoice for the balance of the agreed fee.

If either you or your councillors have any queries, please do not hesitate to contact me.

Regards

Eleanor S Greene

37 Upper Brownhill Road, Southampton, SO16 5NG

eleanorgreene@thedunnefamily.co.uk

Registered in England No. 7871759

Director: Eleanor S Greene

FINANCE & STAFFING COMMITTEE – 2 JULY 2018

FINANCIAL RISK ASSESSMENT

1. PURPOSE

- 1.1 To approve the Council's financial risk assessment.

2. FINANCIAL RISK ASSESSMENT

- 2.1 The Parish Council has adopted a Financial Risk Assessment to manage any risk associated with its finances and legal obligations. The risk assessment identifies any potential risks and the control measures put in place to mitigate these. The Financial Risk Assessment set out in **Appendix 1** to this report is reviewed annually. Any changes from the previously adopted document are highlighted in red.

3. RECOMMENDATIONS

- 3.1 That the Financial Risk Assessment, set out in Appendix 1 to this report be approved.

For further information:

Melanie Stephens, Parish Clerk
clerk@fairoak-pc.gov.uk

Joanne Cahill, Responsible Finance Officer
finance@fairoak-pc.gov.uk

Background papers:

None.

**FAIR OAK AND HORTON HEATH PARISH COUNCIL
FINANCIAL MANAGEMENT RISK ASSESSMENT**

Appendix 1

Activity/Procedure to be assessed	Risk identified	Risk level achieved? H – High M - Medium L - Low	Management of Risk	Action required Note: Section must be completed where risk level is HIGH	Date of review/action taken
SECTION ONE (INSURANCE TO HELP MANAGE RISK)					
Property and contents owned by the Council	Loss or damage	H	Up to date register of assets – adequate insurance cover	Annual review of schedule of asset and insurance	
Damage by third party or to individuals	Public liability	H	Regular maintenance of properties and adequate insurance cover	The Council has public liability insurance up to 10 million pounds.	
Consequential loss of income or the need to provide essential services following critical damage, loss or non-performance by a third party	Public liability	H	Annual review of risk and adequacy of cover	The Council has public liability insurance up to 10 million pounds.	
Loss of cash through theft or dishonesty	Fidelity Guarantee	L	The Council is insured for £800,000 Fidelity Cover		
Legal liability as a consequence of asset ownership	Public liability	H	Regular maintenance of properties and adequate insurance cover	The Council has public liability insurance up to 10 million pounds.	
SECTION TWO (WORKING WITH OTHERS TO HELP MANAGE RISK)					
Security for vulnerable buildings, amenities, and equipment		M	Where a high risk occurs, the Council has installed CCTV to protect from vandalism and theft.	Any repairs required are carried out as quickly as possible. Maintenance contracts have been awarded in respect of CCTV.	

Activity/Procedure to be assessed	Risk identified	Risk level achieved? H – High M - Medium L - Low	Management of Risk	Action required Note: Section must be completed where risk level is HIGH	Date of review/action taken
The provision of services being carried out under agency/partnership	Standing Orders and Financial Regulations deal with the award of contracts etc.	L	Standing Orders and Financial Regulations are reviewed every year or as and when required.		
Banking arrangements	Detect and deter fraud or corruption	L	Monthly bank reconciliations are completed. The RFO presents a Financial Statement monthly.		
Ad hoc provision of amenities/facilities for events to local community groups	Public liability	L	A copy of the groups public liability insurance is obtained and prior permission is sought from the Council		
Vehicle or equipment lease or hire		L	The Council has an account with a reputable hire company		
Trading units: – Playing fields Pavilion Cemetery Woodland Community Centre	Works are completed in house – external contractors are rarely used	L	The RFO reviews the existing contracts annually.		
Professional Services (solicitors, planning etc)	Standing Orders and Financial Regulations deal with the award of contracts etc.	L	Standing Orders and Financial Regulations are reviewed every year or as and when required.		
SECTION THREE (SELF MANAGED RISK)					
Non-availability of RFO/Clerk	Ineffective administration of Council	L	Temporary cover possible via use of locum Clerk/RFO	Consider adequacy of reserve to cover locum cost for 6 months.	

Activity/Procedure to be assessed	Risk identified	Risk level achieved? H – High M - Medium L - Low	Management of Risk	Action required Note: Section must be completed where risk level is HIGH	Date of review/action taken
Proper financial records	In accordance with statutory requirements	L	Regular scrutiny of financial records and proper arrangements for the approval of expenditure.	Quarterly accounts submitted to Committee and Council. End of year budgets are scrutinised by the Council's internal and external auditors. Accounts easily accessible to the public for viewing.	
Annual Returns	Return submitted late	L	Annual returns completed by the RFO every April. Annual return approved by full Council before submission.	Reviewed annually.	
Business activities	Ensuring they are within the legal powers applicable to Local Councils	L	Recording in the minutes of the precise powers under which expenditure is being approved. Checks made by the Internal Auditor.		
Borrowing	Complying with restrictions	L	The Council has no borrowings or loans		
Employment Law and Inland Revenue regulations	Ensuring all requirements are met	L	The Council is a member of the South East Employers and has adopted the green book policy. The Council administers its own payroll internally		

Activity/Procedure to be assessed	Risk identified	Risk level achieved? H – High M - Medium L - Low	Management of Risk	Action required Note: Section must be completed where risk level is HIGH	Date of review/action taken
			managed by the RFO.		
VAT	Ensuring all requirements are met under Custom and Excise regulations and that VAT is recovered.	L	Regular returns of VAT are made quarterly. The Council is now VAT registered. VAT claims submitted quarterly as part of budget monitoring.		
Reserves & Precept	Inadequacy of existing funds and precept levy, preventing the Council from carrying out its statutory duties and services	L	<p>Council expenditure is monitored by senior officers reporting to the Finance Committee and Full Council.</p> <p>The Council has a policy to maintain reserves, in its public sector fund account not less than £x</p> <p>The Council determines its precept amount required for the next year by examining previous year receipts and payments data, a forecast for the year and a draft budget for the forthcoming year reflecting ongoing costs, financial commitments, proposed changes to expenditure and corporate projects.</p>	Monitoring of the budget and review of forthcoming budget requirements is undertaken regularly by officers and the members.	

Activity/Procedure to be assessed	Risk identified	Risk level achieved? H – High M - Medium L - Low	Management of Risk	Action required Note: Section must be completed where risk level is HIGH	Date of review/action taken
			Money is then allocated to certain cost centres (headings) by the RFO. Consideration is also given to any income sources. The level of precept amount is then agreed with Eastleigh Borough Council.		
Grants to local community bodies	Ensuring the proper use of funds granted under specific powers or under section 137 and that the allocation of funds is transparent	L	All requests and monitoring of grants are made to the Finance Committee quarterly.		
Council Minutes	Proper, timely and accurate reporting of council business in the minutes	L	Minutes properly numbered with a master copy kept in safekeeping – minutes are periodically sent to the Archive Office in Winchester.		
Rights of inspection	Responding to electors wishing to exercise their rights of inspection	L	Adoption of the revised Freedom of Information Act Dec 2008		
Consultation invitations	Meeting the laid down timetables when responding to consultation	L	Procedures in place to deal with responses to consultation requests via relevant committee.		
Document control/electronic records	Proper systems in place safeguarding potential loss of vital	L	Documented procedures for document receipt,	Investigation into the use of Cloud for electronic records	

Activity/Procedure to be assessed	Risk identified	Risk level achieved? H – High M - Medium L - Low	Management of Risk	Action required Note: Section must be completed where risk level is HIGH	Date of review/action taken
	documents		circulation, response, handling and filing. Computer records are backed up manually once a week by the Clerk.	to ensure cyber security or physical damage to the council's computer systems	
Website/social media	Inadequate or outdated information and lack of public engagement with use of website, email and facebook.	L	Website (e-mango) and facebook regularly updated by the Clerk. Ensure that virus checks and website security updates are in place.	Virus software purchased on an annual basis.	
GDPR	Ensure that the Council meets its statutory obligations	M	Necessary corporate documents relating to Data Protect and privacy are adopted and reviewed annually. Council undertakes data audits annually and seeks consent from individuals where data is retained.	GDPR compliance reviewed on an ongoing basis by senior officers.	
Register of Members' Interests and Gifts and Hospitality	In place, complete and up to date	L	Adoption of new code of conduct approved in September 2012. Procedures in place for recording and monitoring Members' interests etc.		

NB: This document is reviewed annually or when there is a significant change in procedure