

NOTES of the FINANCE KEY AREA GROUP MEETING held in the Council Chamber on Tuesday 27 June 2023 at 19.00 hours.

KAG MEMBERS: Cllr Richard Cherry
Graham Fairbairn - Responsible Finance Officer (RFO)
Cllr Bob Foster
Cllr Matthew Goldsmith
Cllr Janice Henwood*
Cllr Simon Hicks
Cllr Cedric De Souza (Chairman)
Cllr Adam White

Also Present: Cllr Stuart Condie
Cllr Matthew Cornish
Steve Cridland - CEO
Cllr Robert Eggleston
Cllr Tofojjul Hussain
Cllr Brenda Williams
Cllr Peter Williams

*Denotes absence

Meeting started 19.00 hrs

1. APOLOGIES FOR ABSENCE

Cllr Janice Henwood

2. SUBSTITUTES

Cllr Peter Williams for Cllr Janice Henwood

3. DECLARATIONS OF INTEREST

Cllr Peter Williams declared an interest in agenda item 14 as he authorises payment requests.

4. CHAIRMAN'S ANNOUNCEMENTS

The Chairman requested the Finance KAG meeting be paused after agenda 10 to allow for the Extraordinary Council, planned for after the Finance meeting, to take place. This was agreed by Members.

5. PAYMENTS MADE

Members were informed a listing of payments made, including those on the town council's business card, are displayed on the council's website on a quarterly basis for Members and the public to view.

6. ELECTION OF VICE CHAIRMAN FOR THE FINANCE KAG

Cllr Richard Cherry was unanimously elected as Vice-Chairman of the Finance KAG.

7. NOTES OF THE PREVIOUS MEETING

The Notes of the previous Finance Key Area Group meeting, dated 23 January 2023, were approved by Members and were signed by the Chairman as a correct record.

8. INTERNAL AUDIT 2022/23

Members received a report as set out in agenda item 8, dated 27 January 2023, highlighting the results of the final internal audit conducted by Mulberry and Co on 5th June 2023.

The report, in summary, noted that in the opinion of the internal auditor the controls of the council can be relied upon to ensure the risk of error or misstatement is low.

During the ensuing discussion, the RFO clarified areas that had been raised by the internal auditor on their previous visit and that actions to resolve the issues has been completed and accepted by the internal auditor.

RESOLVED:

To approve the final internal audit report for the 2022/23 financial year.

9. FINANCIAL RESULT FOR THE 2022/23 FINANCIAL YEAR (SUBJECT TO EXTERNAL AUDIT)

Members received a report as set out in agenda item 9, dated 27 January 2023, detailing the financial result for the financial year 2022/23.

The report noted a surplus of £54,821 would be posted and would be, save for £9,500 allocated to the Orchard project, transferred to the General Reserve.

During the ensuing discussion, the RFO clarified some of the higher variances that were detailed in the report to the satisfaction of Members.

The Chairman expressed his thanks on behalf of the Finance Committee to the RFO and his team for achieving a surplus result especially given the challenging circumstances in the year of account. He also expressed his thanks to the former leader of the council Cllr Robert Eggleston who was in attendance.

RESOLVED:

- a) to approve the Financial Result for the year to 31 March 2023, and
- b) to note the contents of the report.

10. ANNUAL GOVERNANCE and ACCOUNTABILITY RETURN Part 3 FOR 2022/23

Members received a report as set out in agenda item 10, dated 27 January 2023, presenting the Annual Governance and Accountability Return Part 3 for the 2022/23 financial year.

The report brought to the attention of Members the 4 sections in the return covering the internal audit report, Annual Governance Statement, Accounting Statements and the external auditor certificate and opinion, the latter yet to be completed.

RESOLVED:

To approve the Annual Governance and Accountability Return 2022/23 Part 3 and forward to Council for approval

Subsequent to the meeting, the RFO can confirm the Return has been approved by Council and submitted to the external auditor within the statutory time limit and an acknowledgment from the external auditor has been duly received.

11. REVIEW OF BUDGET YEAR 2023/24

Members received a report as set out in agenda item 11, dated 27 January 2023, appraising Members of any known significant budgetary movements of the current financial year:

Income provision

The report noted that an income provision of some £18k could now be released as the income for that provision had been received and the provision was no longer required.

Interest on Balances

With the rapidly increasing interest rates seen over the last few months, the interest earned on the council's deposits could improve the £9k budgeted to circa £18k for the financial year.

Cashflow

The meeting asked whether some additional information, such as a cashflow forecast and balance sheet could be provided. It was noted, however, the tools for controlling the council's operational expenditure were through the detailed budgetary and management accounting processes and that due to the income profile of the town council, whereby some 90% of the council's income was paid in two stages 6 monthly in advance (Precept), any detailed cashflow forecast would add little value to the decision-making process. It was noted, however, should the town council's Capital Project programme come to fruition, a longer-term budgeting view and cash impact analysis would be required, as had been done in the past.

About Town

The report highlighted the ongoing concern in regard to production costs which had increased substantially over the last 18 month raising questions as to whether the About Town magazine still represented value for money for residents.

During the ensuing discussion, Members forwarded various ideas and options each with their own merits and disadvantages.

The recent meeting of the Community Engagement committee agreed on the format in general and delivery strategy as well as proposing an annual budget of 10k

The Chairman advised the committee there had been extensive discussions about costs and formats in 2022 culminating in a recommendation to the Finance KAG on November 2022 to review costs. It was necessary now, therefore, to move forwards

Members agreed the way forward would be to accept the current level of budgeting and task the Community Officer to reduce costs over the next year in terms of overall net cost to the town council (taking into account revenues) and at a *production cost per delivered magazine* level.

RESOLVED:

To task the Community Officer to reduce costs over the next year in terms of overall net cost to the town council (taking into account revenues) and at a *production cost per delivered magazine* level.

12. EARMARKED and GENERAL RESERVES

Members received a report, as set out in agenda item 12, dated 27 June 2023, providing an update on the council's Earmarked and General Reserves.

Members accepted the report as read and noted the General Reserve had an excess to requirements of some £67k and for this to remain in the General Reserve for the time being.

RESOLVED:

To approve the Earmarked and General Reserves.

13. CAPITAL BUDGET PROGRAMME

Members received a report, as set out in agenda item 13, dated 27 June 2023, reviewing the town council's Capital Budget Programme.

The report noted the Orchard at Batchelors Farm had been completed successfully but a number of the other projects had stalled due to funding, governance and charity formation related issues.

RESOLVED:

To note the contents of the report.

14. MEMBER APPROVAL OF PAYMENT REQUESTS

Members received a report, as set out in agenda item 14, dated 27 June 2023, asking Members to review the ongoing requirement for two Members to sign payment authorisations requested by officers.

During the ensuing discussion, Members accepted the town council had a range of financial processes and procedures in-place to reduce to an acceptable level the chances of error or fraud and that schedules of all payments made by the town council were listed on the town council's website (statutory requirement) and was available for all Members and public to view. It was accepted, also, Members approving payments did not add to the effectiveness of detecting error or fraud as Members had limited input, if any, into the payments being made.

It was noted, also, that all Members could request from officers, details of individual payments made.

RESOLVED:

- a) To remove the need for two Members to approve payment requests and amend the Financial Regulations accordingly, and
- b) For the payment schedules to continue to be uploaded onto the town council's website

Simon Hicks left the meeting

15. APPLICATION FOR TOWN COUNCIL RESOURCES

Members received a report, as set out in agenda item 15, dated 27 June 2023, introducing an additional document as part of the scrutiny process.

The report noted the document was for use by Members and/or officers for new expenditure of a material nature that did not fall within existing or agreed budgets.

Although the document itself required some amendments, Members accepted the principal that material expenditure outside agreed budgets needed to have full and proper justification as part of the scrutiny process before commitments were made.

RESOLVED:

- a) To agree that material expenditure outside of agreed budgets required full and proper justification before commitments were made and,
- b) The document provided ("Request for Intervention") be adopted subject to some amendments.

16. BANK RECONCILIATION AND OTHER BALANCES

Members received a report, as set out in agenda item 16, dated 27 June 2023, providing a recent bank reconciliation and listing of the town council's bank/savings account balances.

RESOLVED

To note the contents of the report.

17. DATE OF NEXT MEETING

Members received a report, as set out in agenda item 17 dated 27 June 2023, noting the next Finance KAG meeting would be in November 2023.

Members raised the issue as to whether an additional meeting was required between the programmed June and November meetings.

During the ensuing discussion it was noted that as a matter of procedure, should a material budget variance arise between meetings, the RFO would inform the Finance KAG chairman accordingly and to agree actions where necessary.

RESOLVED

Should an issue(s) arise of a material nature, an additional meeting could be called.

Meeting ended 20.55 hrs