



BOXLEY PARISH COUNCIL

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Kent ME5 9RU

To all members of the Council, public and press

1 July 2013

There will be a meeting of the **Finance and General Purposes Committee** on **Tuesday 9 July 2013** at the Parish Office, Beechen Hall, Wildfell Close, Walderslade commencing at 7.30 p.m.

1. **Apologies and non-attendance.**

To receive apologies from members unable to attend.

2. **Declaration of Interest or Lobbying.**

Members are required to declare any interests, requests for dispensation, lobbying or changes to the Register of Interests.

3. **Minutes of the meetings of 21 May and 3 June 2013.**

To consider the minutes of the meetings and if in order to sign as a true record (previously circulated).

4. **Matters Arising.**

4.1 Minute 2537/7 Earmarked Reserves amendment, see report (page 3).

To adjourn to enable members of the public to address the meeting.

5. **Financial report.**

5.1 Reconciliation of accounts report for 1 July 2013 (page 18).

5.2 Income/Expenditure report as at 1 July 2013 attached (pages 19 - 23).

5.3 Investment Bonds: details supplied on report for item 5.1

5.4 Parish Services Scheme; amendment to MBC grant see report (page 3).

6. **BACS payment policy and procedure**

To undertake the programmed six month review of the current policy and procedure; to consider a request to extend the policy and procedure to cover other bills, see report (pages 3 - 4).

7. **Independent Internal Auditor Report.**

To receive and consider the report (pages 4 - 5).

8. **Policy and procedures reviews.**

8.1 Risk Assessment; see report (page 6 - 11).

8.2 Audit Controls Statement; see report (page 12 - 14).

9. **SCRIBE reports.**

To consider the advantages and disadvantages of exporting reports from the SCRIBE accounting software (page 14).

10. **Personnel matters.**

10.1 TOIL and leave.

10.2 15 hour permanent office assistant post, see attached (pages 14 - 15).

11. **Dove Hill Allotments Expenditure.**

See report (page 15 - 16)

12 Grant Requests.

None received.

13 Matters for Information.

See reports (pages 16 - 17).

14 Date of Next Meeting.

Tuesday 10 September 2013 at Beechen Hall, Wildfell Close, Walderslade commencing at 7.30 p.m. Items for the agenda must be with the parish office no later than 1 September 2013.

Pauline Bowdery
Clerk to the Council.

Issues to be returned to agenda as they develop. None.

Note to all councillors: you are welcome to attend meetings of committees of which you are not a member but only committee members may vote.

**Supporting agenda papers for the Meeting of the Parish Council
Tuesday 9 July 2013.
The Chairman will assume that these have been read prior to the meeting.**

Item 4.1 Earmarked Reserves. *Purpose of item: Notification of an amendment to the list approved at the 21 May 2013 meeting.*

The F&GP Committee May meeting earmarked reserves were agreed, however a discrepancy has since been identified and permission is sought to amend the figure identified for the Walderslade Woods Group from £3,351 to £4,288. The F&GP Committee allows the WWG to save any of its unspent budget to build up some reserves. At the November 2012 meeting the F&GP Committee released the additional budget of £937 but this was not accounted for in the figure supplied to the May meeting.

Item 5.4 Parish Services Scheme. *Purpose of item: Information.*

Notification from MBC (e-mail 30/05).

"I am writing with regards to the Parish Services Scheme. Since the estimates were sent out, our audit team have reviewed the scheme and identified an error in the funding your Parish was allocated. As you know, money was allocated for grounds maintenance according to population figures. Initially the council used 2001 figures, but later changed this to 2007 figures as these were the most recent available. The funding allocated to Boxley parish relates to the 2001 figures; however, the population decreased between then and 2007. This means that your overall funding has been reduced by £230.

I have attached a breakdown for your reference and apologise for any inconvenience caused by this error".

Item 6 BACS payment policy and procedure. *Purpose of item: To consider the report and request to be allowed to expand the BACS payments.*

The 8 January 2013 Finance Committee agreed to staff salaries to be paid by BACS and agreed a procedure to do so. Subsequently payments to HMRC (PAYE & NI) were added to the payments list. The agreed policy and procedure is reproduced below as a review was scheduled for the July meeting.

Clerk comment: This procedure has now been in operation for 6 months and councillors are probably familiar with the authorisation letter that is signed. In order to comply with legislation two councillors sign the letter and this is then faxed to the bank; it is not possible for payment to be made without the two signatures.

Members are asked whether they would consider expanding the BACS payments to include:

- Kent County Council.
- Maidstone Borough Council.
- Organisations that the parish council has close links with e.g. Vinters Valley Nature Reserve.
- Businesses that the parish council has accounts with e.g. Greenham Safety and Workplace Supplies.

If agreed, a list of approved recipients will be included in the signatory folder.

The BACS procedure will be followed on each occasion and invoices will be attached to the SCRIBE report that has to be signed by members. Such payments are reported to the monthly parish council meeting.

As councillors currently have to sign cheques, this will not incur additional work for members or the office. The Independent Internal Auditor has indicated that that as long as the agreed procedure occurs is followed, he will be satisfied.

Policy and Procedure

Payment of Staff Salaries by BACS.

To conform to the council's Financial Regulations (e.g. the requirement for two signatures) and to minimise the risk of fraud or incorrect payments, the following procedure for authorising and processing direct payment of salaries must be strictly followed. This complements other existing policies and procedures to minimise the possibility of fraud:

- A minimum standards check, normally undertaken by the Chairman of the Parish Council every three months, that contains a check of the last PAYE entries.
- A three monthly reminder to members to remind them of the need not to sign authorisations for change unless there is clear understanding as to why it is needed.
- Independent and councillor internal audits.
- All BACS authorisations, Direct Debits and Standing Orders are reported on the SCRIBE payment list supplied to each parish council meeting.
- All bank statements of the parish council are reconciled by the Finance Committee every two months.

Procedure

In advance of the salary payment date (normally the 22nd of the month*) the letter of instruction to the bank authorising the BACS transfers will be submitted for 2 councillors to sign.

The letter will be accompanied by the normal paperwork detailing gross pay, PAYE etc. deductions and net pay as worked out on HMRC software, which should be carefully checked.

Once signed the letter will be faxed to the Cooperative Bank and then the original filed with the PAYE documents that are kept in a secure container".

* It was agreed by the Finance Committee that should the 22nd fall on a Sat, Sun or Bank Holiday that payment would be made on the last working day before the 22nd.

Item 7 Independent Internal Auditor Report. <i>Purpose of item: Information and consideration.</i>

BOXLEY PARISH COUNCIL

FINAL INTERNAL AUDIT REPORT 2012 – 2013

I am pleased to report to Members of the Parish Council that I have completed my internal audit of the Parish Council's records for 2012 – 2013 and have been able to complete Section 4 of the 2012 – 2013 Annual Return.

Members should be aware that my work cannot be relied on to identify the occasional omission or insignificant error, nor to disclose breaches of trust or statute, neglect or fraud which may have taken place and which it is the responsibility of the Members of the Council to guard against.

Members will be pleased to know that I did not find anything major in my financial audit to report and that I found the record keeping to be of a good standard and the Parish Council's approach to the management of risks to be sound. As a result of my audit work undertaking during the year and my discussion with your Clerk I was able to answer 'YES' to all the relevant questions contained in Section 4 of the Annual Return for 2012 - 2013.

I would like to take this opportunity to thank your Clerk for the assistance given to me in the conduct of the audit that took place on the 15 and 22 May 2013.

PREVIOUS AUDITS:

Interim Internal Audit 2012-2013 - 9 October 2012:

Cashbook:

The £0.54 error in the bank reconciliation has now been corrected.

[See also my findings on the cashbook below.]

FINDINGS THIS VISIT:

During the visit I completed my audit work for 2012-2013 and carried out sufficient work to enable me to complete Section 4 of the Annual return.

Parish Councillor Audits:

There are no matters outstanding from the Parish Councillor Audit undertaken during the year.

A recent audit that took place on 3 May 2013 has resulted in the form recording the audit work and findings being redesigned.

Cashbook:

The discrepancy in the VAT account of £1,199.85 relating to previous years and reported to Members last year has been correctly recorded in the 2012-2013 accounts.

Whilst regular bank reconciliations for all the accounts held by the Parish Council are undertaken the Scribe bank reconciliations for 31st March 2013 do not reconcile due to the items included in the 'Uncashed Receipts' and 'Uncashed Payments' being incorrect. In manually reconciling the main HSBC and Cooperative Bank accounts an additional three errors totaling £184.11 were discovered. The main bank accounts now reconcile as do all the other accounts held.

The Annual Return report produced did not cast correctly and the difference of £31.67 was due to the writing back of an un-presented cheque being included in the receipts and should have been a reduction in the payments. An adjustment between the receipts and payments corrected the error and the correct figures are now being shown.

Value Added Tax:

The VAT records were up to date and a claim made to 31st March 2013.

Insurances:

The level of cover in respect of Employee Dishonesty is currently £408,500 and is less than the recommended level of cover (end of year balances + the amount of the Precept received in April).

Asset Register:

The Asset Register is up to date.

Payroll:

The Clerk is aware of the new requirement to provide HMRC with Real Time Information about the payroll.

Investment Strategy:

The Parish Council's Investment Strategy is to be reviewed during 2013.

Item 8 Policy and procedures reviews. Purpose of item: Decision.

Clerk's comment: Members will have noted that the SCRIBE reports are now being 'exported' into an excel document and that by doing so the system is now no longer 'closed'. Whilst 'exporting' SCRIBE reports allows more flexibility in the way financial information is produced it also means that office staff could, conceivably, change the information and hide, for a short period at least, any discrepancies or fraudulent behaviour. If members continue to follow the controls and safeguards recommended in the following document then the risk of fraud will continue to be low but if they fail to check invoices against amounts etc. then the risk rises.

Item 8.1 Risk Assessment.

2013/14 Boxley Parish Council Risk Assessment - Finance Committee 9 July 2013

1. FINANCE			
Ref	Risk	Risk level	Control, safeguards and recommendations
1.1	Loss of cash through theft or fraud.	Low if safeguards followed	If cash is received it is marked as such in the Income list and also in the bank paying in book. Cash of over £200 shall be banked immediately or within 2 working days.
			Clear admin and audit trails required and monitored independently.
			Internal audits sample check receipts against payments, paying in books etc.
			Hall booking uses a unique booking number and there are checks identified to track hall bookings to make fraud more difficult.
			Regular hirers receive monthly invoices, casual hirers receive invoices as necessary. Paperwork shows cheques should be made payable to Beechen Hall. Spot checks are made, via CCTV, on whether the hall is fraudulently let out.
			BACS payments are accepted into the parish council's accounts.
1.2	Risk of consequential loss of income.	Low if safeguards followed	Due to the parish council's large reserves the insurance cover has to include adequate fidelity insurance as required by Council policy.
			There is an annual check prior to insurance renewal on the level of reserves and expected income to ensure adequate cover is obtained.
			Council has an Investment Strategy that is regularly reviewed

			Only parish councillors are signatory to accounts and are regularly reminded not to sign blank cheques or letters of instruction.
1.3	Payments to fictitious staff, councillors or companies or for bogus invoices.	Low	<p>Cheques, Standing Orders, Direct Debits and BACS payments are approved and countersigned by 2 signatories; lists of payments are reported to parish council meetings and attached to the minutes of the meeting as appendices. Invoices accompany cheques or payment authorisations so that they can be scrutinised.</p> <p>Bank mandates to amend or add any signatories to be agreed at meetings.</p> <p>4 x random checks per annum (2 x parish councillor audits and 2 x independent internal auditor).</p> <p>Clear admin and audit trails are maintained.</p>
1.4	Contracts awarded due to influence on councillors or parish office.	Low	<p>Continue to work to the standards and procedure detailed in Standing Orders and Financial Regs.</p> <p>Clearance of job specifications and tenders through Council meetings.</p>
1.5	Poor management of finances.	Low if safeguards followed	<p>Continue to work to the standards already in place on reviewing and setting budget. Precept derived directly from this.</p> <p>Regular report to the Finance Committee to monitor expenditure against income.</p>
1.6	Additional safeguard/Control		<p>Internal and External Audits - present regime. Clerk 'books' different councillors for 2 internal checks per year with clear records to show what is checked and by whom. Checklist includes more checks on areas at higher risk of fraud. Checklist clearly states that councillors can increase the number of checks on any item and may question any part of the financial and accounting system. The signed audit report has to be given to the F&GP Committee after each internal audit and kept for an audit trail. Copy of last internal audit to be given in advance to the participating councillor prior to undertaking the next internal audit.</p> <p>Bank Statements are reconciled on a monthly basis (cheque accounts) and as received for Investment Bonds. The F&GP Committee 'signs off' these checks every 2 months at its meeting.</p> <p>Adequate training for staff and councillors.</p> <p>Councillors have a responsibility to manage the financial system and must investigate/highlight any concerns that they have.</p> <p>The Council has and annually reviews Financial Regulations by which the Council and RFO abide. In the event of any emergency situation or deviation from the regulations there is dialogue between the RFO and Chairman/councillors as necessary and the decision is ratified</p>

		at the next meeting.
		Protection of records. Regular backup of computers is provided with the hard drive locked in a fire proof unit overnight. A copy of especially sensitive information (parish minutes, financial back up etc.) is undertaken and kept off site.
		An independent Internal Auditor has been appointed as required by regulations.
		Minimum Standards check. A checklist of minimum standards (based on an insurance company checklist) is undertaken quarterly by the Chairman or a Councillor. Computer passwords are changed quarterly and on the resignation of office staff. The insurance requirements for resigning staff and recruiting staff are followed.
		Risk assessments include details of any warranties and guarantees and the date that they expire. The parish office keeps track of when all contracts are due to expire to allow a timely review.
		Stock. Less than £1,000 of stock is kept at hall. 5/6 main stock orders per annum. Clerk submits from list supplied by hall staff.

2. INSURANCE

Ref	Risk	Risk level.	Control, safeguards and recommendations
2.1	Inadequate insurance cover. Risk to third party, property or individuals.	Low risk if identified procedures are followed	<p>Annual review of insurance and cover undertaken by the RFO and reported to the F&GP Committee. Asset lists and inventories are maintained. Items added as required and inventory lists kept up to date. Policy must be maintained and updated as necessary.</p> <p>Parish property covered by insurance and the risk of damage to third party property or individuals is covered by public liability.</p> <p>Beechen Hall - Cover for loss of income to hall through e.g. unavailability is amended to keep pace with any changes. Estates Committee also monitor needs for hall.</p> <p>Fidelity and Loss of Income Insurance cover is be reviewed annually and increased/decreased as per council policy.</p> <p>Written records must be kept.</p>

3. ASSETS

Ref	Risk	Risk level.	Control, safeguards and recommendations
3.1	Protection of physical assets.	Low risk if followed	Buildings insured and adequately maintained. Regular safety and maintenance checks and written records kept. Risk assessment records to be produced on all property with (at a minimum) an annual review undertaken.
3.2	Protection of Beechen Hall. Risk assessments undertaken by Estates Committee	Low risk if followed	Beechen Hall has a safety/maintenance schedule for regular checks etc. Buildings insured and adequately maintained. Regular safety and maintenance checks and written records kept. Risk assessment are produced for fire, drink etc. and (at a minimum) an annual review undertaken. CCTV/Alarm installed at the hall.

4. LEGAL POWERS

Ref	Risk	Risk level.	Control, safeguards and recommendations
4.1	General Power of Competency	Low risk if followed	The parish council has obtained General Power of Competence; as this power can be 'lost' 4.2 will continue to be maintained. GPC does not remove the need for the parish council to consider risks and restrictions of any new service or project.
4.2	Unprofessional actions and accusations of acting ultra vires.	Low risk if followed	To ensure activities are within legal powers the annual budget includes what powers are being used to allow the expenditure. Agenda includes powers if a new scheme is being considered.

5. RISK ASSESSMENT AND DOCUMENT MANAGEMENT/SECURITY

Ref	Risk	Risk level.	Control, safeguards and recommendations
5.1	Lack of risk assessment introduces possibility of poor management, dishonestly and claims against the council.	Low risk if followed	Annual risk assessment review is undertaken. Any risk or safety problem to be reported to members to review. Councillors have a responsibility to ensure that adequate risk assessment procedures exist and that the planned reviews (as notified in Jan/Feb each year) take place. An annual review of the system of internal audit and statement of internal control as required by the Audit and Accounts Regulations takes place. Policies and procedures for expenditure etc. are regularly reviewed by the council and updated as necessary.
5.2	Poor document management results in an inefficient, ineffective council and possibility of mismanagement.	Low risk if followed	Check of systems is part of the internal and external audit. Leases and official documents are kept at Whitehead and Monckton (Solicitors). Other important documents are kept in the fire proof cabinet in the office. Copy of insurance is kept off site. The Council has a document management retention policy.

5.3	Documents being removed/copied (physically and electronically).	Low/acceptable risk if followed	<p>Parish office and Beechen Hall security to be maintained which will stop easy access to the document storage areas. Staff briefed on the need to keep secure any memory sticks being used to transport or back up information. Only the office personnel have password access to computers and authorisation to download information onto a memory stick. Care is taken to ensure that any information coming into the office is either e-mailed (for checking by the internet security) or when this is not possible that it is from a clean and trusted 'site'. Apart from 'Administrator' access by one trusted councillor who is advising on the IT, the Council does not allow remote access to its computers. Any changes to this situation will need to be approved by the Council and will only be allowed from a reputable firm. The Council's computers are kept secure by licensed software Norton Security which provides the relevant firewalls, automatic updates and virus protection. At night and for any long periods during the day when no personnel are in the office the computers are turned off. Sensitive paper documents (including cheque books and statements) are kept in locked cabinets.</p> <p>Office personnel are responsible for the security of any documents taken off site.</p>
5.4	Computer security		A review of computer security is being undertaken by Cllr Dengate and the office and the resulting recommendations will be followed.

6. USE OF OTHER SITES, SITE VISITS ETC.

Ref	Risk	Risk level.	Control, safeguards and recommendations
6.1	Accidents to participants	Low to medium	<p>Present regime. Clerk/Asst Clerk undertakes a visual health and safety check of all venues booked for meetings to ensure that fire exits are clear and any equipment to be used is safe.</p> <p>When arranging site visits the parish office will advise councillors/attendees of any potential risks and also advise on relevant footwear and clothing. High visibility tunics will, if required, be made available. Parish office to advise any councillor with mobility problems of any concerns about including them on site visits and if necessary will request that they do not attend.</p>

6.2	Work undertaken by volunteers (delivery of Downs Mail, Walderslade Woods Group)	Low to medium	Additional risk assessments will be undertaken/produced as required. Walderslade Woods Group has its own insurance for task days however, as the parish council owns the tools and storage unit used by WWG and they are located on its property, it still has H&S responsibility when the group access them. WWG are required to undertake maintenance of the powered and hand tools and are required to notify the Clerk of these checks. The parish council is currently working in partnership with the Mid Kent Downs Countryside Partnership and a volunteer group (The Friends of Boxley Warren), who are currently covered by the parish council's insurance. Health and Safety and risk assessments are undertaken by authorised personnel prior to any work.
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7. COUNCILLOR PROPRIETY AND COUNCIL REPUTATION

Ref	Risk	Risk level.	Control, safeguards and recommendations
7.1	Unprofessional actions and Parish Council bought into disrepute.	Low risk if followed	Register of interest completed and kept up to date. Declaration of interest and lobbying at meetings. Adequate training and understanding of Code of Conduct. Correct agenda and reports produced, informed decisions taken by Councillors, adequate policies and procedures produced and kept updated, open and accountable governance with regular reviews and training of councillors and office staff.

8. WEAVERING DIAMOND JUBILEE ORCHARD.

8.1	General site - H&S	Low risk if followed	The Estates Committee has assumed responsibility for the site and will produce a cleaning and maintenance schedule.
8.2	Play area	Low risk if followed	The Estates Committee has assumed responsibility for the site and will produce a safety, cleaning and maintenance schedule. An annual ROSPA inspection will occur.

9. DOVE HILL ALLOTMENTS.

9.1	General site - H&S	Low risk if followed	A working group has been set up and will assess the risks of the recently acquired land and also make recommendations for risk mitigation. The Estates Committee will take on responsibility for future management.
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Item 8.2 Audit Controls Statement.

Boxley Parish Council Governance Statement for the Year ending 31st March 2014.

The system of internal control and audit has been in place at the Council for the year ending 31 March 2014 and up to the date of approval of the annual report and accounts accords with proper practice.

1. SCOPE OF INTERNAL AUDIT.

Boxley Parish Council (the Council) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and that it is used economically, efficiently and effectively¹.

In discharging this overall responsibility, the Council is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to

- identify and prioritise the risks to the achievement of the Council's policies, aims and objectives;
- to evaluate the likelihood of those risks being realised and the impact should they be realised; and
- to manage these risks efficiently, effectively and economically.

Risk Assessments / Risk Management:

The Council carries out regular risk assessments in respect of actions and regularly reviews its systems and controls.

Internal Audit:

The Council has appointed an Independent Internal Auditor who reported to the Council on the adequacy of its:

- records
- procedures
- systems
- internal control
- regulations
- risk management
- reviews

The effectiveness of the internal audit system is reviewed annually.

External Audit:

The Council's External Auditor (with effect from 01.04.2013 LittleJohn LPP) submit an annual Certificate of Audit, which is presented to the Council.

The Council:

The Council has appointed a Chairman who is responsible for the smooth running of meetings and for ensuring that all Council decisions are lawful.

The Council reviews its obligations and objectives and approves budgets for the following year at its January meeting. At this same meeting the Council approves the level of precept for the following financial year.

¹ The Accounts and Audit (England) Regulations 2011.

The Council has appointed a Finance and General Purposes (F&GP) Committee which meets 6 times each year and monitors progress against objectives, financial systems and procedures, budgetary control and carries out regular reviews of financial matters. The Council has delegated some financial and audit powers to the Estates Committee which also meets 6 times per year. The minutes of the meetings of the F&GP Committee and the Estates Committee are received by the Council where an opportunity to comment on them is available.

The full Council meets a minimum of 10 times and Committees meet 6 or 12 times each year. The full Council and Committees monitor progress against the aims and objectives, identified by their individual Terms of Reference, at each meeting. Such reviews are supported by briefing papers and reports produced by the parish office, Councillors or Working Groups. The Clerk is responsible for ensuring that decisions or issues which impact on more than one committee are reported as necessary to ensure that all relevant parties are adequately briefed etc.

Individual committees are also responsible for monitoring their specific projects and budgets.

The Council carries out regular reviews of its internal controls (2 x Councillor audits), systems and procedures supported by the audits undertaken by the Independent Internal Auditor.

The Council achieved Quality Status on 27 September 2004 and was reaccredited on 15th December 2008. It was due to apply for reaccreditation in December 2012 but NALC, in order to undertake a review of the criteria for Quality Status, has instigated a freeze on all applications. Transitional arrangements are in place and the Parish Council will retain its Quality Status until three months after the completion of the review.

The Council acquired a General Power of Competence on 1 October 2012.

Clerk to the Council / 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 day to day compliance with relevant laws and regulations and for managing risks. The Clerk also ensures that the Council's procedures, control systems and policies are adhered to.

Payments:

All payments are reported to the Council for approval. Two Members of the Council must authorise each cheque, Direct Debit, Standing Order or BACS payment after checking the relevant invoice.

2. INDEPENDENCE.

In May 2014 the Council decided to disband its Financial Scrutiny Committee as it was duplicating the work of the F&GP Committee.

Membership of the F&GP Committee consists of the Chair and Vice-Chair of the full Council and each of its committees plus two other councillors. With up to eight members and with all committee agendas being supplied to the 15 members of the Council it is felt that there is sufficient independence in and scrutiny of the work of the F&GP Committee.

The F&GP Committee receives the 2 x Independent Internal Audit reports, the 2 x Parish Councillor audit reports and the External Auditor's response to the End of Year Accounts. Reports and recommendations are submitted to the full Parish Council.

Parish Councillor audits are undertaken by different councillors, nominated at a full Council meeting and includes non-members of the F&GP Committee.

The Independent Auditor is independent of the Council, its financial decision making, management and control².

3. COMPETENCE.

The Clerk/RFO is qualified to Certificate of Higher Education in Local Policy and in September 2012 passed CiLCA's Section 7, General Power of Competence which enabled the Parish Council to pass the relevant resolution to obtain the power. The Internal Auditor is a Fellow Member of the Association of Accounting Technicians.

The Council has a training strategy and a training budget and encourages all members to take advantage of training opportunities.

The F&GP Committee are required (via delegated powers) to undertake monitoring of the Council's income/expenditure and policy and procedures relating to financial issues.

4. RELATIONSHIPS.

The Council works to Standing Orders and Financial Regulations in all financial matters. It has systems and procedures to deal with tenders and issuing of work/contracts. All Council and committee agendas have an item for members to declare interest and lobbying and members are regularly reminded (April, September and December) that they must keep their Register of Interests up to date.

The Kent Code of Conduct legislation has been adopted by the Council.

Audit checks by the Independent Auditor and Parish Councillors ensure that these standards are maintained/adhered too.

Item 9 SCRIBE reports. <i>Purpose of item: Information and if required decision.</i>

The parish council uses the SCRIBE2010 accounting system. This is a 'closed' system meaning that there is limited opportunity for an operator to change or control the information in the system. Any changes to records e.g. a deletion of a record leaves a trace within the system which supplies an audit trail and this can be accessed by the supplier if necessary.

The advantage of a closed system is that reports printed directly from the software cannot be altered thus reducing the risk of fraudulent reporting of accounts. A recent update to the system now allows reports to be exported to an excel document which allows the operator more flexibility in the way information is presented. An explanation of how the risk of fraud can be reduced is contained in item 8.1.

The 1 July 2013 parish council agenda contained an example of how an exported report could be amended to make it easier to read and also to be included in an agenda on the website. Members were asked to decide whether to proceed with the exported reports or place restrictions on its use. A straight forward copy and paste of the SCRIBE report into an agenda may be possible however once any report is exported from the closed system there is an opportunity to change the information it contains and so members must still give clear instructions on what procedure they wish to use. The F&GP Committee agenda was printed before the parish council meeting.

Item 10.2. 15 hour permanent office assistant post. <i>Purpose of item: consideration and decision.</i>
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At the 21 May meeting members agreed to consider making the temporary position permanent and also to consider increasing the hours to 15 per week. Permission was given to increase the hours to 15 per week whilst the situation was reviewed. The Clerk was asked to approach the post holder to see if they were interested in a permanent position and to provide a report to the July meeting.

² The Accounts and Audit (England) Regulations 2011.

The current post holder would accept a permanent contract with an increase in the hours from 10 to 15 per week.

Clerk comment: Members identified in 2011 that the office was struggling to manage the workload and with an increase in projects the staffing structure would need reviewing. In 2012 it was agreed that a temporary position (filled in January 2013) would be created to help clear the backlog of work and this would also allow a period of reflection on what the actual needs of the office were. The original idea was to employ someone temporarily and then advertise a permanent position however in view of suitability and experience of the current post holder this may be judged unnecessary. The original position was openly advertised in the parish and recruited to in a professional manner.

The office assistant has undertaken filing, hall bookings, dealing with the public, the chasing of MBC and KCC for responses and various other tasks. This has released the Clerk and Asst Clerk to undertake other work.

Initially the current post holder worked 3 mornings a week but this was then changed to 2 days per week and with 15 hours being worked the office is manned until 4.00/4.30 on Tuesday and Thursday. Attendance on two days has worked well for the post holder and the office as it allows large projects to be started and finished which is a more effective and efficient way of working. In the past three weeks it has become noticeable that the Clerk and Asst Clerk are identifying that jobs which have been put on 'hold' might now be reactivated. Projects that were 90% finished are now being taken up and completed. Stress levels in the office have been reduced.

If members decide to make the position permanent and increase it to 15 hours per week then it is envisaged that the post holder will also become responsible for sending out hall booking invoices and also to take on some of the administrative work that the allotments will generate. Currently noticeboards are only serviced once a month but it may be possible to arrange a mid-month visit to keep them updated. In 2012 the parish office took on responsibility for the website and this requires updating two or three times per week and this would also become the office assistants' role. It was agreed that the parish office, when time allowed, would set up a facebook presence and it is envisaged that this could now happen in the near future. The employment of a permanent member of staff would also help the Asst Clerk to find time to start the Working With Your Council course that the parish council requires her to complete.

Cost to the council.

The 2013/14 budget includes a budget for a 10 hour position for the full year and if an increase in hours is agreed then this will need adjusting; details will be presented at the meeting.

Work has already been undertaken in the office to increase the availability of IT to a third desk. As the parish council already has a laptop it is envisaged that there will be minimal additional office cost.

Item 11 Dove Hill Allotments Expenditure. <i>Purpose of item: Information and ratification.</i>
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The Royal Engineers, having adopted the allotment entrance and access road work as a training exercise, notified the parish council of the date they would start. In a meeting it became apparent that they were reluctant to undertake the installation of the water and power pipes and so an alternative company has been employed. Due to the deadline for ordering materials and completing work before the Royal Engineers went on site the parish council has deviated from the way that it normally works. It is for this reason that the issue is being highlighted in the agenda as in all its work the parish council attempts to be open and accountable to its residents.

Normally there would be a clear audit trail with decisions taken at meetings but in this situation Financial regulation 10.3(f) was invoked. This "allows the parish council to select a single firm with or without a quotation for the purpose".

Expenditure that has been agreed out of meeting is as follows:

- Wood and nails to put in surface levels on the site: £127.11 (this is within the Clerk's delegated powers).
- Materials to stabilise the stone used for the entrance and road: £2,654.40. Two quotations were obtained.
- Pipework (Gallaghers): £6,229.02 (priced as net).
- Gates: details will be supplied at the meeting

Some of the above expenditure will be paid for by the 2nd party.

Due to the timescale it was necessary for quotations to be obtained by e-mail which meant that they were not opened in the presence of a parish councillor.

Item 13 Matters for Information.

13.1 Local Audit and Accountability Bill.

The Local Audit and Accountability Bill was introduced into Parliament has now been posted on the Parliament website and the Department of Communities and Local Government has produced a plain English guide to the Bill which is available on the GOV.UK site or from the parish office.

The following is a brief summary of the main issues affecting parish council; followed by an extract from the plain English Guide. Members will be briefed as the issue develops.

The Government says the bill will do 3 things to reduce pressure on taxpayers:

- close the Audit Commission and open up auditing to drive down prices; these fee reductions will help council budgets while keeping the same high audit standards and safeguarding public money
- close the Council Tax loophole to prevent unaccountable levying authorities exerting pressure on Council Tax
- enshrine the legal status of the local authority publicity code - stopping unnecessary spending on council newspapers.

Local Audit and Accountability Bill – plain English Guide.

“Which bodies does the Bill apply to?”

32. The 11,000 local public bodies currently audited by the Audit Commission are, together, responsible for some £200 billion of public expenditure. In addition, there are roughly 10,000 ‘smaller bodies’, with annual turnover below £6.5 million, made up of around 9,600 parish and town councils; 130 internal drainage boards; and 270 other bodies (for example, charter trustees and port health authorities).

33. The Local Audit and Accountability Bill will apply to a range of local public bodies including county and district councils, fire and rescue authorities and clinical commissioning groups. A full list of these is at Schedule 2 of the Bill.

34. The new framework will retain a proportionate audit regime for smaller authorities (those with a turnover below £6.5 million). This will include exempting those authorities with an annual turnover below £25,000 from automatic external audit.

Who will monitor the new framework?

35. The Bill creates a new framework to regulate auditors of local public bodies. This is similar to the arrangements for companies.

36. The Audit Commission currently has a number of responsibilities for regulating local audit which will transfer to other bodies:

- a. the National Audit Office will be responsible for the codes of audit practice and guidance, which set out the way in which auditors are to carry out their functions.
- b. recognised supervisory bodies (accountancy professional bodies) will register audit firms and auditors. They will be required to have rules and practices in

place that cover the eligibility of firms to be appointed as local auditors and also the qualifications, experience and criteria that individuals will need to have to sign an audit report. They will also monitor and enforce audit standards. This will all be supervised by the Financial Reporting Council. This mirrors the arrangements under the Companies Act 2006.

What does this all mean for me?

37. Better public audit means better use of public money. In total, the programme of reforms to local audit will deliver estimated savings of £1.2 billion over a ten year period. The measures in the Bill will also help local people to hold their councils and other local public bodies to account for local spending decisions.

38. To complement this measure, the Bill will protect the rights of taxpayers to inspect the accounts and raise objections if they think there are matters on which the auditor should report, ensuring that local people can continue to use this mechanism to hold their local bodies to account.

39. The measures in the Bill will also drive more direct democracy on council tax by extending council tax referendum provisions. The Bill will ensure that local taxpayers can veto excessive council tax increases caused by changes in levies paid to bodies such as Waste Disposal Authorities, Integrated Transport Authorities, Pension Authorities and Internal Drainage Boards.

40. Healthy local democracy requires robust scrutiny by an independent local press. The Bill will enable the Secretary of State to direct compliance with the existing Code of Recommended Practice on Local Authority Publicity”.

13.2 Electronic Payments and Electronic Agendas

Mr Lewis, Local Government Minister, in answer to a parliamentary question, said that having consulted on proposals to use a legislative reform order to remove the statutory obstacles to parish councils making on line payments. He expected to announce shortly how the Government intended to proceed. His Department also intended to announce how, through secondary legislation, it would remove any doubts about councils’ ability to send agendas electronically.

Clerk’s comment; this response was posted on 24 April 2013 and there has been nothing since. With regards to the issue of on-line payments the current procedure followed by this council is for BACS requests to be in the form of an authorisation letter which is signed by two councillors and this meets current legislation. The two councillors who receive their parish council agendas electronically also receive a paper copy to ensure that the parish council conforms to the legislation.

Item 5.1 Reconciliation of accounts report for 1 July 2013. *Purpose of item: Information and action.*

Boxley Parish Council

A	Bank Reconciliation at 01/07/2013			
	Cash in Hand 01/04/2013			
				349,160.60
	ADD			
	Receipts 01/04/2013 - 01/07/2013			125,265.73
	SUBTRACT			474,426.33
	Payments 01/04/2013 - 01/07/2013			51,247.19
	Cash in Hand 01/07/2013 (per Cash Book)			423,179.14
B	Cash in hand per Bank Statements			
	Maturity date			
	Cash	01/07/2013	150.00	
	HSBC Beechen Hall	21/06/2013	34,585.42	
	Coop General Account	07/06/2013	133,379.95	
	** Coop Investment Bond	01/04/2013	68,687.37	
	All & Leicester Invest Bond	01/04/2013	0.00	
	25/04/14 Santander Investment Bond	01/04/2013	100,000.00	
	Clydesdale Investment	04/07/2012	0.00	
	07/04/14 Natwest Fixed Rate Deposit	01/07/2013	80,000.00	
	30/09/13 Natwest Fixed 3 month	01/07/2013	20,000.00	
				436,802.74
	Less unrepresented cheques As attached			14,144.90
				422,657.84
	Plus unrepresented receipts As attached			521.30
	Adjusted Bank Balance			423,179.14
	** This bond has been closed with the funds transferred to the COOP general account but as per instructions not transactions are undertaken unless statement proof is available. Currently awaiting the latest COOP statement.			
	A = B Checks out OK			1 July 2013 (2013-2014)

Item 5.2 Income/Expenditure report as at 1 July 2013 *Purpose of item: Information and consideration.*

Boxley Parish Council
NET POSITION BY COST CENTRE & CODE

Cost Centre & Name										1 July 2013 (2013-2014)			
Parish office				Receipts		Payments		Current Budget		% Spend			
	Code	Title	Budget		Actual		Budget		Actual		Balance		
	1	Administration	0.00		0.00		2,791.00		607.99		2,183.01		21.78
	2	Audit	0.00		0.00		446.00		60.00		386.00		13.45
	3	Books and publications	0.00		0.00		50.00		0.00		50.00		0.00
	4	Gratuity/pension	0.00		0.00		319.00		0.00		319.00		0.00
	5	Office rates	0.00		0.00		1,316.00		469.41		846.59		35.67
	6	Photocopier	0.00		0.00		645.00		0.00		645.00		0.00
	7	Salaries	0.00		0.00		36,100.00		9,225.90		26,874.10		25.56
	8	PAYE	0.00		0.00		15,471.00		3,757.07		11,713.93		24.28
	9	Scribe lease	0.00		0.00		253.00		0.00		253.00		0.00
	10	Subscriptions	0.00		0.00		1,636.00		1,384.00		252.00		84.60
	11	Training/conferences	0.00		0.00		300.00		15.00		285.00		5.00
	12	Travel - staff	0.00		0.00		460.00		159.96		300.04		34.77
	173	Salaries income	0.00		0.00		0.00		0.00		0.00		
			0.00		£0.00		59,787.00		£15,679.33		44,107.67		26.23
General Parish Council			Receipts				Payments				Current Budget		% Spend
	Code	Title	Budget		Actual		Budget		Actual		Balance		
	26	Garden waste sacks	620.00		36.15		0.00		0.00		-583.85		
	27	Hire of halls	0.00		0.00		286.00		0.00		286.00		0.00
	28	Insurance	0.00		0.00		2,025.00		1,960.55		64.45		96.82
	29	PCSO	0.00		0.00		3,762.00		0.00		3,762.00		0.00
	30	Parish tour	0.00		0.00		0.00		0.00		0.00		
	31	Publicity	0.00		0.00		7,874.00		1,645.44		6,228.56		20.90
	166	Website admin	0.00		0.00		300.00		0.00		300.00		0.00
	167	Referendum	0.00		0.00		15,000.00		0.00		15,000.00		0.00
			620.00		£36.15		29,247.00		£3,605.99		25,057.16		12.33
Councillor & subsistence allowances			Receipts				Payments				Current Budget		% Spend

	<u>Code</u>	<u>Title</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Balance</u>	
	36	Chairman's allowance personal	0.00	0.00	610.00	86.56	523.44	14.19
	37	Chairman's allowance Civic	0.00	0.00	100.00	2.50	97.50	2.50
	38	Councillors allowance/PAYE	0.00	0.00	5,000.00	912.57	4,087.43	18.25
	39	Subsistance	0.00	0.00	100.00	0.00	100.00	0.00
			0.00	£0.00	5,810.00	£1,001.63	4,808.37	17.24
Finance			Receipts		Payments		Current Budget	% Spend
	<u>Code</u>	<u>Title</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Balance</u>	
	42	Agency services	0.00	0.00	0.00	0.00	0.00	
	43	Capital schemes	0.00	0.00	0.00	0.00	0.00	
	44	Concurrent functions grant	0.00	0.00	0.00	0.00	0.00	
	45	Contingency fund	0.00	0.00	40,000.00	7,025.17	32,974.83	17.56
	46	Doubtful debts	0.00	0.00	0.00	0.00	0.00	
	47	Precept	81,916.00	101,908.00	0.00	0.00	19,992.00	
	48	Sale of Assets	0.00	0.00	0.00	0.00	0.00	
	175	Parish Service Scheme	0.00	7,007.00	14,014.00	0.00	21,021.00	0.00
			81,916.00	£108,915.00	54,014.00	£7,025.17	73,987.83	13.01
Bank Accounts			Receipts		Payments		Current Budget	% Spend
	<u>Code</u>	<u>Title</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Balance</u>	
	51	HSBC general account	0.00	0.00	0.00	0.00	0.00	
	52	Coop general account	210.00	66.25	0.00	0.00	-143.75	
	53	Coop investment bond	2,295.00	97.25	0.00	0.00	-2,197.75	
	56	AL investment bond	0.00	0.00	0.00	0.00	0.00	
	57	Santander Investment Bond	2,875.00	0.00	0.00	0.00	-2,875.00	
	58	Clydesdale Investment	624.00	0.00	0.00	0.00	-624.00	
	171	NatWest Fixed Rate Deposit	0.00	0.00	0.00	0.00	0.00	
	172	Natwest Fixed 3 month	180.00	0.00	0.00	0.00	-180.00	
			6,184.00	£163.50	0.00	£0.00	-6,020.50	
Section 137 expenditure			Receipts		Payments		Current Budget	% Spend
	<u>Code</u>	<u>Title</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Balance</u>	

	61	Donations	0.00	0.00	0.00	0.00	0.00	
			0.00	£0.00	0.00	£0.00	0.00	
Parish Council projects			Receipts		Payments		Current Budget	% Spend
	<u>Code</u>	<u>Title</u>	Budget	Actual	Budget	Actual	Balance	
	62	Fixed crossing point	0.00	0.00	0.00	0.00	0.00	
	63	Land/office aquisition	0.00	0.00	35,000.00	0.00	35,000.00	0.00
	64	QE Anniversary Orchard	0.00	0.00	0.00	467.83	-467.83	
	66	Community Project	0.00	0.00	10,000.00	0.00	10,000.00	0.00
	68	Boxley Warren	0.00	0.00	34,500.00	6,113.87	28,386.13	17.72
	174	Land at Sandy Lane	0.00	0.00	25,000.00	295.07	24,704.93	1.18
			0.00	£0.00	104,500.00	£6,876.77	97,623.23	6.58
War Memorial			Receipts		Payments		Current Budget	% Spend
	<u>Code</u>	<u>Title</u>	Budget	Actual	Budget	Actual	Balance	
	76	Insurance	0.00	0.00	0.00	0.00	0.00	
	77	Maintenance	0.00	0.00	0.00	0.00	0.00	
			0.00	£0.00	0.00	£0.00	0.00	
Closed Churchyard			Receipts		Payments			% Spend
	<u>Code</u>	<u>Title</u>	Budget	Actual	Budget	Actual		
	81	Maintenance	0.00	0.00	0.00	0.00	0.00	
			0.00	£0.00	0.00	£0.00	0.00	
Burial Ground			Receipts		Payments		Current Budget	% Spend
	<u>Code</u>	<u>Title</u>	Budget	Actual	Budget	Actual	Balance	
	85	ABA subscription	0.00	0.00	92.00	90.00	2.00	97.83
	86	Admin fee	0.00	0.00	250.00	0.00	250.00	0.00
	87	Burials	600.00	10.00	0.00	0.00	-590.00	
			600.00	£10.00	342.00	£90.00	-338.00	26.32
Grants			Receipts		Payments		Current Budget	% Spend
	<u>Code</u>	<u>Title</u>	Budget	Actual	Budget	Actual	Balance	
	91	Kent Wildlife Trust	0.00	0.00	500.00	0.00	500.00	0.00
	92	Museum of Kent Life	0.00	0.00	0.00	0.00	0.00	
	93	Other grants	0.00	0.00	1,500.00	200.00	1,300.00	13.33
	94	Walderslade Woods	0.00	0.00	4,782.00	144.83	4,637.17	3.03

			Group																
		95	Village Hall Grants		0.00		0.00		1,400.00		0.00				1,400.00				0.00
		96	Vinters Valley Park LNR		0.00		0.00		4,782.00		2,391.00				2,391.00				50.00
					0.00		£0.00		12,964.00		£2,735.83				10,228.17				21.10
Green Spaces					Receipts					Payments					Current Budget		% Spend		
		Code	Title		Budget		Actual		Budget		Actual			Balance					
		101	Boxley Village Green		0.00		0.00		0.00		1,225.00			-1,225.00					
		102	General Maintenance		0.00		0.00		2,000.00		572.88			1,427.12					28.64
		103	Impton Lane Open Space		0.00		0.00		0.00		0.00			0.00					
		165	WDJ Orchard		0.00		0.00		500.00		0.00			500.00					0.00
					0.00		£0.00		2,500.00		£1,797.88			702.12					71.92
Grounds maintenance					Receipts					Payments					Current Budget		% Spend		
		Code	Title		Budget		Actual		Budget		Actual			Balance					
		107	Grounds maintenance contract		0.00		0.00		3,839.00		0.00			3,839.00					0
		108	Roundabout maintenance		0.00		0.00		520.00		0.00			520.00					0
		109	Street maintenance		0.00		0.00		2,000.00		0.00			2,000.00					0
					0.00		£0.00		6,359.00		£0.00			6,359.00					0
Street furniture					Receipts					Payments					Current Budget		% Spend		
		Code	Title		Budget		Actual		Budget		Actual			Balance					
		113	Bus shelters		0.00		0.00		87.00		0.00			87.00					0
		114	Litter bins		0.00		0.00		180.00		0.00			180.00					0
		115	Noticeboards		0.00		0.00		0.00		0.00			0.00					
		116	Seats		0.00		0.00		894.00		0.00			894.00					0
		117	Village signs		0.00		0.00		442.00		0.00			442.00					0
					0.00		£0.00		1,603.00		£0.00			1,603.00					0
Beechen Hall					Receipts					Payments					Current Budget		% Spend		
		Code	Title		Budget		Actual		Budget		Actual			Balance					
		121	Administration		0.00		0.00		357.00		84.80			272.20					23.75
		122	Audit		0.00		0.00		415.00		60.00			355.00					14.46
		123	CCTV/alarms maintenance		0.00		0.00		955.00		0.00			955.00					0.00
		124	Consumables		0.00		0.00		914.00		178.60			735.40					19.54

	126	Electrical safety	0.00	0.00	609.00	138.00		471.00	22.66
	127	Damage waiver current year	200.00	150.00	150.00	124.09		-24.09	82.73
	128	Damage Waiver future year	0.00	0.00	0.00	0.00		0.00	
	129	Damage waiver past year	0.00	0.00	0.00	0.00		0.00	
	130	Fire safety	0.00	0.00	0.00	0.00		0.00	
	131	Gas bill	0.00	0.00	2,000.00	598.19		1,401.81	29.91
	132	Gas maintenance	0.00	0.00	203.00	0.00		203.00	0.00
	133	Ground maintenance	0.00	0.00	400.00	0.00		400.00	0.00
	134	Hall maintenance	0.00	0.00	6,368.00	688.76		5,679.24	10.82
	135	Hall marketing	0.00	0.00	75.00	0.00		75.00	0.00
	136	Hire fee - casual	12,250.00	3,696.35	0.00	86.50		-8,640.15	
	137	Hire fee casual future years	1,020.00	0.00	0.00	0.00		-1,020.00	
	138	Hire fee regular	18,870.00	9,914.32	0.00	192.70		-9,148.38	
	139	Hire fee regular future year	0.00	0.00	0.00	0.00		0.00	
	140	Insurance	0.00	18.00	1,310.00	1,326.16		1.84	101.23
	141	Licences	0.00	0.00	286.00	0.00		286.00	0.00
	142	Rates	0.00	0.00	3,042.00	1,095.29		1,946.71	36.01
	143	Refuse collections	0.00	0.00	1,197.00	285.20		911.80	23.83
	144	Wages	0.00	0.00	18,125.00	4,255.29		13,869.71	23.48
	145	PAYE	0.00	0.00	475.00	683.58		-208.58	143.91
	146	Water bill	0.00	0.00	1,500.00	0.00		1,500.00	0.00
	168	Hearing Induction Loop	400.00	0.00	300.00	0.00		-100.00	0.00
	169	Equipment	100.00	0.00	0.00	0.00		-100.00	
	170	Wages -AEC	150.00	0.00	150.00	52.50		-52.50	35.00
			32,990.00	£13,778.67	40,186.00	£9,849.66		11,125.01	24.51
Beechen Hall projects			Receipts		Payments		Current Budget	% Spend	
	Code	Title	Budget	Actual	Budget	Actual	Balance		
	161	Carpet	0.00	0.00	0.00	0.00	0.00		
	162	Hall internal decoration	0.00	0.00	1,000.00	0.00	1,000.00	0.00	
	163	Hall external decoration	0.00	0.00	1,500.00	0.00	1,500.00	0.00	
	164	Hall floor	0.00	0.00	0.00	0.00	0.00		
			0.00	£0.00	2,500.00	£0.00	2,500.00	0.00	
GRAND TOTALS			122,310.00	£122,903.32	319,812.00	£48,662.26	271,743.06	15.22	

