

**Lanhydrock Parish Council Finance & Governance Committee: Minutes
of Meeting held at Lidcutt Farm at 18:30 on Wednesday 17th July 2019**

In attendance: Cllr. J. Coad, Cllr. M. Coad, Cllr. W. Ayres, Cllr. P. Miller and Sarah Knight (Clerk)

Apologies: None

Declarations of Interest: None.

1. The committee considered the National Association of Local Council's (NALC) Model Financial Regulations, published in 2016, with a view to editing them for adoption by Lanhydrock Parish Council. The committee agreed to recommend the following revisions to the full council:
 - a. 1.14: Reduce value at which council must approve any grant or single commitment from £5000 to £500.
 - b. 2.2: Remove requirement that bank reconciliations must be verified at least once in each quarter. Remove suggestion that verification is not carried out by a cheque signatory.
 - c. 2.6: Remove order (*The internal auditor shall report to council in writing, or in person, on a regular basis with a minimum of one annual written report during each financial year*).
 - d. 3.2: Remove order (*The RFO must each year, by no later than [month], prepare detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the following financial year in the form of a budget to be considered by the [relevant committee and the] council.*).
 - e. 3.4: Amend date at which council shall fix the precept from January to November. Remove requirement for RFO to supply each member with a copy of the approved annual budget.
 - f. 4.1: Reduce value at which the council must authorize revenue expenditure from £5,000 to £500. Remove option for a duly delegated committee of the council to approve expenditure for items over £500.
 - g. 4.4 Remove requirement to evidence annual salary budget review by a hard copy schedule signed by the Clerk and the Chairman of the Council or relevant committee.
 - h. 4.8: Remove line requiring RFO to provide a statement of receipts and payments every quarter (*These statements are to*

be prepared at least at the end of each financial quarter and shall show explanations of material variances. For this purpose "material" shall be in excess of [£100] or [15%] of the budget).

- i. 5.1: Remove line: *The council shall seek credit references in respect of members or employees who act as signatories.*
- j. 5.2: Remove line ref. the schedule of payments presented to the Chairman for authorization at each meeting (*The approved schedule shall be ruled off and initialled by the Chairman of the Meeting.*).
- k. 5.5: Remove stipulation that the Clerk/RFO shall have delegated authority to authorize payments only in the following circumstances:
 - i. *If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date for payment is before the next scheduled Meeting of council, where the Clerk and RFO certify that there is no dispute or other reason to delay payment, provided that a list of such payments shall be submitted to the next appropriate meeting of council [or finance committee];*
 - ii. *An expenditure item authorised under 5.6 below (continuing contracts and obligations) provided that a list of such payments shall be submitted to the next appropriate meeting of council [or finance committee]; or*
 - iii. *fund transfers within the councils banking arrangements up to the sum of [£10,000], provided that a list of such payments shall be submitted to the next appropriate meeting of council [or finance committee].*
- l. 5.6: Remove order (*For each financial year the Clerk and RFO shall draw up a list of due payments which arise on a regular basis as the result of a continuing contract, statutory duty, or obligation (such as but not exclusively) Salaries, PAYE and NI, Superannuation Fund and regular maintenance contracts and the like for which council [or a duly authorised committee,] may authorise payment for the year provided that the requirements of regulation 4.1 (Budgetary Controls) are adhered to, provided also that a list of such payments shall be submitted to the next appropriate meeting of council [or Finance Committee].*
- m. 5.7: Remove order (*A record of regular payments made under 5.6 above shall be drawn up and be signed by two members on each*

and every occasion when payment is authorised - thus controlling the risk of duplicated payments being authorised and / or made).

- n. 6.4: Remove option for cheques to be signed by one member of the council only. Remove option for cheques to be countersigned by the Clerk.
- o. 6.17: Remove option for hard copy of authority for change to account details for suppliers to be signed by the Clerk/RFO.
- p. 6.19: Remove options for a relevant committee to receive reports on the transactions and purchases on a pre-paid debit card or to authorize it's topping-up.
- q. 6.20: Remove line (*Personal credit or debit cards of members or staff shall not be used under any circumstances.*).
- r. 6.22: Remove order (*[The RFO may provide petty cash to officers for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the RFO with a claim for reimbursement.*
- *The RFO shall maintain a petty cash float of [£250] for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment.*
- *Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.*
- *Payments to maintain the petty cash float shall be shown separately on the schedule of payments presented to council under 5.2 above.].*
- s. 7.4: Remove option to record payments to employees in a confidential cash book.
- t. 7.6: Remove order (*An effective system of personal performance management should be maintained for the senior officers.*).
- u. 10.1: Remove order (*An official order or letter shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders shall be retained*).
- v. 10.2: Remove order (*Order books shall be controlled by the RFO*).

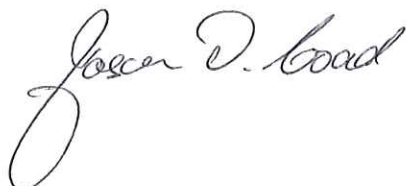
- w. 10.3: Remove line (*An officer issuing an official order shall ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining three or more quotations or estimates from appropriate suppliers, subject to any de minimis provisions in Regulation 11.1 below.*).
- x. 10.4: Remove order: (*A member may not issue an official order or make any contract on behalf of the council.*).
- y. 11.1.g. Remove reference to Standing Orders.
- z. 15.2: Remove order (*The Clerk shall give prompt notification to the RFO of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.*]

Meeting Closed at 21:00

Signed and Accepted as a correct record

Councillor

Date:



29/7/19