



## LONDON COLNEY PARISH COUNCIL

To: Cllrs D Gordon (Chair), Lillico, MacMillan, and Pakenham

2 December 2021

You are hereby summoned to attend a **FINANCE & GENERAL PURPOSES COMMITTEE** meeting to be held on **THURSDAY 9 DECEMBER 2021**, to be held at **6.00PM, CALEDON COMMUNITY CENTRE, CALEDON ROAD, LONDON COLNEY AL2 1PU**

**Emma Payne**  
Clerk

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### AGENDA

- 1. APOLOGIES**  
To receive and approve apologies
- 2. NOTIFICATION OF SUBSTITUTIONS**  
To receive any notification of substitution made to the Clerk
- 3. DECLARATION OF INTERESTS**  
Members are reminded to make any declarations of disclosable pecuniary and/or personal interests that they may have in relation to items on this Agenda.
- 4. MINUTES**  
To approve the minutes of the meeting of the Finance & General Purposes Committee held on 18 November 2021. 2
- 5. REPORTS TO COMMITTEE**
  - 5.1 Interim Internal Auditor's Report** 7  
To receive the interim Internal Auditor's Report and note the recommendations which need to be reported to Council on 19 January 2022
  - 5.2 Splash Pad** 24  
To receive an update on the splash pad and to consider additional works
  - 5.3 Consultation of South West Herts Joint Strategic Plan (JSP)** 28  
To receive a [consultation proposal](#)
  - 5.4 Contingency Plan for Parish Council Operation in the event of a National Lockdown** 30  
To consider a report to implement a scheme of delegation to the Clerk in the event of a national lockdown.
  - 5.5 Investment & Reserves Policy** 33  
To recommend to Council that the Council's Investment and Reserve Policies, approved by this Committee on 8 July 2021 are adopted by Council.
- 7. DATE OF NEXT MEETING**  
9 December 2021

## LONDON COLNEY PARISH COUNCIL

### MINUTES OF THE FINANCE & GENERAL PURPOSES COMMITTEE MEETING THURSDAY 18 NOVEMBER 2021, AT 6.00PM CALEDON COMMUNITY CENTRE, CALEDON ROAD, LONDON COLNEY AL2 1PU

**PRESENT:** Councillors D Gordon (Chair), T Lillico, M MacMillan, and H Pakenham

**IN ATTENDANCE:** E Payne (Clerk)

#### 1. APOLOGIES

All Councillors were present.

#### 2. NOTIFICATION OF SUBSTITUTES

There were no substitutes required.

#### 3. DECLARATIONS OF INTERESTS

There were no declarations of interest.

#### 4. MINUTES

The minutes of the meeting held on 26 October 2021 were received as a true record of the meeting.

#### 5. REPORTS TO COMMITTEE

##### 5.1 Hirers Projected Income 2021-22

This item will be deferred to the Budget Working Party.

##### 5.2 Income and Expenditure Report to YE 31 March 2022

This item will be deferred to the Budget Working Party.

##### 5.3 Medium to Long Term Financial Proposals

This item will be deferred to the Budget Working Party.

##### 5.4 Financial Regulations

Members received an updated version of the Financial Regulations, and it was **RESOLVED to recommend to Council that:**

***Version 10 of the Financial Regulations are adopted.***

##### 5.5 Standing Orders

Members received an updated version of the Standing Orders. Members were advised that item 12 on page 8, (Committees and Sub Committees) should be amended to reflect the change of status for the Neighbourhood Plan Working Group. Members were advised that the thresholds regarding procurement as outlined in Item 17, page 13 had been updated with effect from 1 January 2022.

Members went on to discuss the adoption of minutes of Council and committees. Members were advised that only committees can approve their minutes, they can not be approved by Council. When committee minutes are taken to Council, they are for information only. Members queried whether Council minutes could be amended, and they were advised that item 1, page 4 defines that no discussion on the Minutes shall take place except as to their accuracy. It then specifies that corrections to the Minutes shall be made by resolution.

Members asked the Clerk to investigate whether it was possible for the Council to refer an item agreed at a committee to be reconsidered. This would be considered at a future meeting.

## 5.6 Aged Debtors

Members received a report regarding the situation with the Council's aged debtors which had been highlighted by the Internal Auditor. Members noted that some of the situation had arisen following the change of staff and there had been a period when there had been no Finance Officer in the role. The Internal Auditor had seen an improvement in the Aged Debtor's situation between interim audit visits. It was **RESOLVED** to:

- a) *Note the report*
- b) *Authorise the Financial Officer to have overtime of 3 hours per week, not exceeding 6 weeks to reconcile the aged debtor's situation.*

## 5.7 Assets of Community Value

Members noted the progress to date on the applications for Assets of Community Value (ACV). They were advised that St Albans District Council had refused the application to register Shenley Lane Allotments as an ACV because it was a statutory duty, and the land was owned by a statutory authority. There was no update on the other applications, despite an 8-week window for decisions to be made. The Clerk will raise this with the District Council at the beginning of December should there be no response before that time.

Members noted the proposed application for the orchard at Napsbury. The Chairman reported that she had been advised by the Chairman of the NPRA that part of the site is in the ownership of Crest Nicolson. The Clerk is going to liaise with them to confirm ownership of the site, which is required as part of the application process. Members asked the Clerk to ascertain if the site is within the Napsbury Conservation Area and whether the site would be protected due to this planning condition. The Clerk needs guidance about the exact location of the site to ensure that an accurate application is made, and she will seek guidance from the Napsbury Park Residents Association, who can offer additional background information to support the application. The Clerk will liaise with the Chairman to ensure that an accurate application is compiled before it is submitted.

It was **RESOLVED** to:

- a) *Note the report*
- b) *Recommend to Council that an application is made to register the entire Translink site including the orchard at Napsbury as an ACV.*

## 5.8 Planned Maintenance Programme

Members received a report with a planned maintenance programme for the parish council assets and noted the progress to date. Members were advised that the Clerk was compiling a preferred contractors list as Officers often struggle to get contractors to quote for works.

Members were advised that an estimated price of £4-4.5K has been received for the interior of the pavilion at Morris Recreation Ground including the main hall, kitchen, 4 x changing rooms including the floor paint, gents and disabled toilets and the ceiling in the ladies' toilets.

This does not include decorating the walls of the ladies as new sanitary ware needs to be installed. The showers and the kitchen are due to be refurbished as part of the planned maintenance specification that was awarded S106 funding.

Members asked what the conditions of the electrics were and were advised the Clerk has prices for an Electrical Installation Condition Report (EICR) to be initiated which is a legal requirement to be undertaken every 5 years. Members recommended that this was carried out before the decoration in case there were any electrical works that needed to be carried out. The cost of the EICR would be met by the maintenance budget and was organised under the Clerk's delegated powers.

Members were advised that the external redecoration of Napsbury was in progress. Other works to be undertaken were noted. Members were advised that the football clubs had been reminded to use the boot scraper and not the wall. Clubs would be fined if there was any damage to the walls.

Members noted the repairs to the fascia to the pavilion at Shenley Lane Recreation Ground.

The externals of library at the Community Centre would be redecorated by HCC which is a requirement of their lease.

Members asked the Clerk to obtain a quotation for a price to paint the exterior of the community centre. This could be funded by S106 funding. Members queried whether the decoration of the exterior of the community was a priority when the interior needed redecoration. The Clerk reported that there were windows at the toilets which were broken and covered by chicken wire. The windows in the office do not open, and some of them leak when the rain is in a specific direction. All these items needed to be done with a finite budget. Members were concerned that the condition of the remaining building would show up when the library is redecorated.

It was **RESOLVED** to:

- a) Note the works undertaken to date*
- b) Note the planned works to be undertaken*
- c) EICR is undertaken before any redecoration is commenced.*
- d) A price for the external redecoration for the Caledon Community Centre is sought.*

## **5.9 Maintenance of Communal Areas of Community Centre**

Members received a report on the service charged to be levied to support the cleaning and maintenance of the communal areas at the Community Centre, after the surgery development. Members noted the proposed charge and that it could be increased after a year to include the grounds maintenance of the communal areas. It was **RESOLVED** to:

- a) Levy a service charge of £80 per week for the cleansing and maintenance of the communal areas*
- b) Offer an additional service including grounds maintenance at £120 per week when applicable.*
- c) The resource for this will be agreed by the HR committee.*

## **5.10 Cleaning Contract Quotations**

This report was taken as a confidential item.

## **5.11 CCTV in London Colney**

Members noted the report and were concerned that it appeared that this originated with HCC wanting to remove the CCTV as they didn't want to replace the lamp column. CCTV was

installed in specific areas because of a need and had proved invaluable in the past when it came to the prevention or solving of crime, especially considering some of the serious issues that had occurred in London Colney recently. Members wanted to know what alternative locations in the vicinity of the existing sites would be considered and what guarantees there were that they would be reinstalled.

Members were advised that Harpenden Town Council had agreed to have CCTV installed on their land, using an existing power supply. This could be the case in London Colney at Chester Gibbons Green and White Horse Lane where there were parish council owned sites and if this was to be pursued that it should be on the understanding that the District Council would undertake the planning application, installation, and connection of the cameras to the electricity supply at these sites. However, there wasn't a site in Haseldine Road, unless it was installed at the parade of shops and the power supply came from the shops, which can be problematic. The site at Kings Road would be problematic on the new communications mast as this was not land that the parish council had control over. It was **RESOLVED** that:

***The Clerk will liaise with the District Council about possible new sites for CCTV on parish council owned land.***

#### **5.12 Communities 1<sup>st</sup>**

Members noted the request and noted that other organisations made a grant application which was used to pay for the rent of the facilities. The Clerk was asked to liaise with Communities 1<sup>st</sup> and suggest this approach.

***Cllr Gordon declared an interest as director of The Base, who had been in the same situation and had applied for a grant to off set the costs of the hire.***

#### **5.13 Local Council Award Scheme**

Members received a report on the Local Council Award Scheme and noted the amount of work that needed to be undertaken to achieve an award. Members considered that the parish council should be recognised for work it undertook within the community. The Clerk reported that there isn't currently any capacity within the organisation to make an application before Summer 2022. It was **RESOLVED to recommend to Council that:**

***An application is made for a Gold Award in the Local Council Award Scheme in September 2022.***

#### **5.14 Bank Reconciliations**

Members noted the bank reconciliations which had been signed by Councillors.

#### **5.15 Budget Working Party**

Members received the terms of reference for this working party. Members considered the membership of working party and suggested that representation across the political sphere was included. The Clerk was asked to invite additional Councillors to join the group. It was **RESOLVED** to:

- a) Agree the Terms of Reference for this Working Party with the change to membership to include the Councillors from the Finance & General Working Party and one other Councillor.***
- b) The Clerk will liaise with the relevant councillors to sort out a date for this working party to meet.***

## 6. FORWARD WORK PROGRAMME

Members noted the forward work programme.

## 7. CONFIDENTIAL ITEMS

To resolve to exclude the Press and public from the following items in accordance with the Public Bodies (Admissions to Meetings) Act 1960.

### 7.1 Cleaning Contract

Members noted the quotations received which had been obtained following the specification that had been agreed by this Committee. Members were disappointed with the cost of the quotations which were not economical for the Council to consider. Members discussed how best to deal with this matter, and it was **RESOLVED** to:

***Refer this item to the Human Resources Committee to source the additional cleaning that is required to keep the parish council's facilities to a suitable standard.***

### 7.2 Land at Caledon Community Centre

Members were advised that the Clerk had been unable to progress this item as she had not received any response to numerous emails, she had sent to the Legal Department at Hertfordshire County Council. Members asked the Clerk to raise with Cllr Tallon and ask them to expedite the matter.

### 7.3 Clerk's Hours of Employment

Members received a confidential report with a recommendation from the Human Resources Committee to approve an increase in the Clerk's hours of employment from 32 per week to 35 hours which had arisen from the staff review. The increase in hours had not been budgeted for. It was **RESOLVED** to:

***Increase the Clerk's hour of employment from 32 hours to 35 hours per week with effect from 1 October 2021.***

## 8. DATE OF NEXT MEETING

9 December 2021

The meeting closed at 1900 hours.

Signed: ..... Date: .....

## **LONDON COLNEY PARISH COUNCIL**

**COMMITTEE: FINANCE & GENERAL PURPOSES**

**DATE: 9 DECEMBER 2021**

**REPORT BY: EMMA PAYNE, CLERK**

**SUBJECT: INTERNAL AUDITOR'S INTERIM REPORT 2021-22**

### **1. SUMMARY**

- 1.1 In the Interim Internal Audit report for 2021-22, the Internal Auditor has highlighted that the Financial Regulations and Standing Orders have not been updated in line with their Internal Audit report from 2020-21.
- 1.2 This report suggests updates to the Financial Regulations and Standing Orders to reflect the recommendations from the Internal Auditor's Report.

### **2. RECOMMENDATION**

- 2.1 Members are asked to consider the recommendations outlined below and advise the Clerk how they wish to proceed with each action:
  - a) Item 3 - Public Interest Report
  - b) Item 4 – Retrospective Audit of AGAR 2019-20
  - c) Item 5 – Annual Governance Statement 2020-21 regarding Electors Rights
  - d) Item 6 – Standing Orders and Financial Regulations

### **3. PUBLIC INTEREST REPORT**

- 3.1 The following recommendation was made in the Interim Audit Report.

#### ***(a) External Audit 'Public Interest Report' (PIR) on the 2019-20 accounts***

***When we issued our final update report for 2020-21, we noted that the Council had received a PIR from the External Auditors in relation to its failure to submit the AGAR for 2019-20. We have confirmed that this report was subsequently considered and accepted by the Council at its meeting on 30<sup>th</sup> June 2021. The minutes of the meeting state that the Chairman would liaise with the internal auditor on the situation and issue a statement which will accompany the Public Interest Report on the website. We note that a statement has been issued which refers to the Chairman having contacted the internal auditor. However, although we have offered to talk to the Chairman, by telephone or in person, we have not been able to do so.***

***R1. The Chairman's statement which accompanies the PIR on the website should be amended to remove the reference to having contacted the internal auditor.***

- 3.2 An updated statement is below:

**STATEMENT ON PUBLIC INTEREST REPORT ISSUED TO LONDON COLNEY PARISH COUNCIL BY PKF LITTLEJOHN**

*London Colney Parish Council acknowledges the receipt of the public interest report regarding the audit for 2019-20.*

*The council has read the report and fully discussed the failure to submit an AGAR for 2019-20. We consider this a serious issue on the basis that the Council had a responsibility to the public and taxpayers for safeguarding public money. We understand that the AGAR was sent to PFK by the Clerk after it has been signed at the Council meeting on 30 June 2020 but that it did not reach the external auditor. Furthermore, when a report was sent after notification on 30 June 2020, the Council was not made aware of its non-receipt. The Clerk to the Council accepted responsibility for this error and the Chairman contacted the internal auditor to ensure that the accounts and audit were accurate and procedures and practices have been implemented to ensure that this does not happen again. The rest of the report was accepted by the Council at their meeting on 1 September 2021.*

**4. RETROSPECTIVE AUDIT OF 2019-20 AGAR**

- 4.1 The Internal Auditor's Report states the following:

***(b) Retrospective Audit of the 2019-20 AGAR***

*The minutes of the Council meeting of 30<sup>th</sup> June 2021 also state that the Parish Clerk has retrospectively submitted the annual governance statement [we assume this refers to the AGAR] for 2019-20 to ensure that the Council was audited correctly. From our discussions with the Parish Clerk, we have confirmed that this external audit work has not yet been undertaken. From our own discussions with a representative of the External Auditors at the time of last year's final internal audit, we understood that, as the PIR had been issued and the following year's external audit has already been completed, there would be little or no benefit from this exercise being undertaken, and the Council would be charged for any work that would be required. We reported this view to the Parish Clerk.*

*R2. The Council should consider the merits of requesting a retrospective audit of the 2019-20 AGAR with the External Auditor, before incurring any expenditure.*

- 4.2 In conversation with the Clerk, the Internal Auditor recommended that a line be drawn under this matter, following the issuing of the public interest report and that there was little to be gained by submitting the AGAR from 2019-20 to the External Auditor.

**5. ANNUAL GOVERNANCE STATEMENT 2020-21**

- 5.1 The Internal Auditor's report comments as follows:

***(c) Council completion of the Annual Governance Statement (Section 1) in the 2020-21 AGAR.***



*In our final update report for 2020-21 (Recommendation 2), we advised the Council that, as no copy of the “Notice of Electors’ Rights” had been retained in relation to the 2019-20 audit, it was not able to demonstrate that it had complied with the requirements of the Accounts & Audit Regulations regarding the exercise of electors’ rights in the summer of 2020 (in relation to the 2019-20 accounts) and, therefore, must answer “No” to Assertion 4 in the Annual Governance Statement (Section 1 of the 2021-22 AGAR). We note that, when the Section 1 of the AGAR was subsequently completed, this assertion was answered as “Yes” and this led to a qualification by the External Auditor.*

*We note that in completing the 2020-21 audit, the External Auditor identified an error in the public inspection arrangements made in the summer of 2021 – because the AGAR was approved by the Council after the start of the period for the exercise of electors’ rights (now referred to as “public rights”). As a result, the External Audit Report concludes that, as the Council did not comply with Regulation 15 of the Accounts and Audit Regulations 2015, it must answer ‘No’ to Assertion 4 of the Annual Governance Statement for 2021-22 and ensure that it makes proper provision for the exercise of public rights during 2022-23.*

R3. *The Council must ensure that it answers ‘No’ to Assertion 4 of the Annual Governance Statement for 2021-22 (Section 1 of the AGAR) and ensure that it makes proper provision for the exercise of public rights in the following year.*

5.2 This will not be an issue in 2021-22 as the Elector’s Rights were advertised in 2020-21 and can be found on the Council’s [website](#).

## **6. FINANCIAL REGULATIONS AND STANDING ORDERS**

6.1 The Internal Auditor’s Report 2021-22 comments as follows regarding financial regulations and standing orders:

*Inconsistencies between the Financial Regulations and Standing Orders and the practices followed by the Council*

*In undertaking last year’s interim audit, we noted a number of instances where either or both of the documents were not consistent with the approach actually followed by the Council. —These included, for example, that whilst Financial Regulation 6.7 acknowledges the approach followed for on-line payments, Financial Regulations 5.2 and 6.2, together with Standing Order 16(a) still refer to a requirement for all but emergency payments to be authorised in advance by a resolution of the Council.*

*We recommended that when the Standing Orders and Financial Regulations were next reviewed, the Council should consider whether amendments are required in certain areas to reflect the practices that the Council now follows and to ensure there is consistency between the documents. However, in following up on this matter at this year’s interim audit, we confirmed that the revised versions of the Standing Orders and Financial regulations considered by the F&GP Committee on 18<sup>th</sup> November 2021 did not address the matters we had raised.*

*R4. The Standing Orders and Financial Regulations should be revisited, to ensure that they fully reflect the practices that the Council now follows and to ensure there is consistency between the documents.*

6.2 The following recommendation was made in the Internal Auditor's report 2020-21

*(d) Inconsistencies between the Financial Regulations and Standing Orders and the practices followed by the Council*

**As noted above, the Council has kept its Standing Orders and Financial Regulations under regular review and, in doing so, has taken into account the latest guidance published by NALC. However, during the course of our audit, we noted a number of instances where one or other of the documents is not consistent with the approach actually followed by the Council. For example:**

- **in line with many councils, London Colney has moved to on-line banking with payments now presented to a Council meeting for retrospective approval. However, there is some inconsistency in the approach to payments set out in the Financial Regulations and Standing Orders. Whilst Financial Regulation 6.7 acknowledges the approach followed for on-line payments, Financial Regulations 5.2 and 6.2, together with Standing Order 16(a) still refer to a requirement for all but emergency payments to be authorised in advance by a resolution of the Council.**
- **Financial Regulation 9.3 states that “the Council will review all fees and charges annually, following a report of the Clerk”. However, this review has been undertaken by the F&GP Committee, although the Financial Regulations do not mention this delegation.**
- **The Standing Orders (17(b) state that the Financial Regulations are to be reviewed on at least an annual basis, whereas the Financial Regulations state that they should be reviewed “from time to time”.**

**R3 When the Standing Orders and Financial Regulations are next reviewed, the Council should consider whether amendments are required in certain areas to reflect the practices that the Council now follows and to ensure there is consistency between the documents.**

6.3 Proposed amendments to the relevant sections of the Council's adopted Financial Regulations and Standing orders are attached to this report. The original Financial Regulations and Standing Orders can be found on our [website](#).

6.4 With monthly transactions exceeding 150 per month; the schedule of meetings set as they are; other demands on Chairs of Committees, it is not feasible to wait for a Councillor to sign an invoice prior to payment being made. It would delay payments being made, incurring possible charges and would reflect poorly on the Council in the community if it was seen as a 'bad payer'.

6.5 All payments are checked against the purchase order that was raised by the officer placing the order. This purchase order is signed by the Clerk or Grounds Maintenance Manager and shows the budget code that the invoice is to be coded. The Internal Auditor mentioned to the Clerk that he was pleased to see this control in

place. After an invoice is passed for payment, the Finance Officer adds it to the bank account for payment on Wednesday of each week, providing a list of all payments for the Clerk to check that the correct amounts are being paid. All invoices are signed by the Clerk and two councillors.

- 6.6 Other Councils operate on this basis and the Internal Auditor is seeking the clarification of what is seen as conflicting references in governance documents

## 7. **IMPACT ASSESSMENT**

Strategic Plan	Objective 5
Equalities	N/A
Environmental/Sustainability	N/A
Crime & Disorder	N/A
Financial	N/A
Resources (including workforce)	N/A
Risk Management	Checks and balances in place to ensure good accounting practices are in place.

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## **London Colney Parish Council**

***Internal Audit Report: 2021-22 (Interim)***

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***Stephen Christopher***

***for Auditing Solutions Ltd***

## **Background and Scope**

There is a statutory requirement for all town and parish councils to make arrangements for an independent internal audit examination of their accounting records and system of internal control each year and for the conclusions to be reported in the Annual Governance and Accountability Return (AGAR). Auditing Solutions Ltd has been appointed to provide this service to London Colney Parish Council for the 2021-22 financial year.

This report sets out the results of our interim audit in relation to 2021-22, which was undertaken on 17<sup>th</sup> November 2021. We wish to thank the Parish Clerk and Finance Officer for providing the information required for the audit.

## **Internal Audit Approach**

In carrying out our internal audit work for the year to date, we have had regard to the materiality of transactions and their susceptibility to potential mis-recording or misrepresentation in the year-end Statement of Accounts, applying a mix of 100% substantive testing and selected sampling techniques, where applicable.

Our audit programme is designed to afford appropriate assurance that the Council's financial systems remain robust and operate in a manner to ensure effective probity of transactions, and to afford a reasonable probability of identifying material errors or possible abuse of the Council's own and the national statutory regulatory framework. The programme is also designed to facilitate our completion of the 'Annual Internal Audit Report' in the AGAR, which requires independent assurance over a number of internal control objectives.

## **Overall Conclusion**

On the basis of the programme of work we have undertaken for the year to date, we have concluded that the Council is maintaining an adequate and effective system of internal control. The records held in support of the accounting transactions are of a good standard and provide an effective audit trail, with clear cross-referencing of all relevant documentation.

In the sections below, we have explained the objectives of each area of our audit, summarising the work we have undertaken to date and the key matters arising. During the course of our audit, we have identified a number of areas where action is required, some of which were raised in the previous year. These are set in the report, with the recommendations drawn together in the appended Action Plan. We ask that Members consider the content of this report and respond in due course to the recommendations set out in the Action Plan.

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This report has been prepared for the sole use of London Colney Parish Council. To the fullest extent permitted by law, no responsibility or liability is accepted by Auditing Solutions Ltd to any third party who purports to use or rely on, for any reason whatsoever, this report, its content or conclusions

# Detailed Report

## Accounting and banking arrangements

Our objective is to confirm that the accounting records are being maintained accurately and kept up to date, that no anomalous entries appear in cashbooks or financial ledgers and that appropriate banking arrangements are in place.

The accounting records are maintained by the Finance Officer using the RBS Rialtas ‘Omega’ software, which is generally acknowledged as a market leader for parish and town councils.

Currently the Council operates three bank accounts. A Co-operative Bank current account is used for day-to day business, with the majority of funds held in two Unity Trust Bank accounts - a current account and an instant access saver account.

Following receipt of a significant sum from the NHS for the lease of land for construction of the new doctor’s surgery, the Finance & General Purposes (F&GP) Committee resolved, in August 2020, that some of the funds not required for immediate use be placed in longer-term investments - £267,500 with the CCLA Public Sector Deposit Fund and £100,000 in a 90-day access account with Triodos Bank. The transfer of funds to the CCLA Public Sector Deposit Fund was made in February 2021. However, at the time of this latest audit visit, the agreed investment with Triodos Bank had still not been made. The Parish Clerk has confirmed that the delay has been due to issues with the paperwork, which are currently being resolved.

In the course of our interim audit work, we confirmed that:

- the prior year’s closing balances were accurately rolled-forward to 2021-22 in the Omega accounting system;
- an appropriate cost centre and nominal ledger structure remains in place;
- the financial ledgers remained in balance at the time of our interim audit;
- from a sample review of two months’ transactions (May and September 2021), the details recorded in the Omega cash books reconcile to the bank statements. We also verified all inter-account transfers in the year to date;
- bank reconciliations are being undertaken on a monthly basis, using the Omega software and are being reviewed on a quarterly basis by an appointed Member. We reviewed the bank reconciliations as at 30<sup>th</sup> September 2021 and confirmed that these were accurate and that there were no long-standing uncleared cheques or deposits, or other anomalous entries;
- where journal entries are required, these are made by the Finance Officer and checked by the Parish Clerk; and
- effective IT back-up arrangements remain in place – through the Council’s IT support provider, Hertscom.

## Conclusion

*There were no matters arising from our audit work in this area in the year to date that require a formal comment or recommendation.*

## Corporate Governance arrangements

Our objective is to confirm that the Council has robust corporate governance arrangements in place and that, as far as we may reasonably be expected to ascertain (as we do not attend Council meetings), all meetings are conducted in accordance with the adopted Standing Orders and that no actions of a potentially unlawful nature have been or are being considered for implementation

During the course of our interim audit, we have confirmed the following:

- Our review of the minutes of the Council for the 2021-22 financial year to the beginning of November 2021 did not identify any matters that we consider might have an adverse effect, through litigation or other causes, on the Council's future financial stability;
- The Council's Standing Orders and Financial Regulations were both due to be reviewed by the F&GP Committee at its meeting on 18<sup>th</sup> November 2021, for subsequent adoption by the Council;
- The Council has a wide range of policies and strategic documents in place, which are subject to regular review; and
- At its meeting on 5<sup>th</sup> May 2021, the Council formally adopted the General Power of Competence, having satisfied itself that all of the necessary criteria were met.

### *Conclusion and recommendations*

*In general, the controls in this area were found to be adequate and to be operating effectively. However, there are a number of matters that we would draw to Members' attention:*

#### *(a) External Audit 'Public Interest Report' (PIR) on the 2019-20 accounts*

*When we issued our final update report for 2020-21, we noted that the Council had received a PIR from the External Auditors in relation to its failure to submit the AGAR for 2019-20. We have confirmed that this report was subsequently considered and accepted by the Council at its meeting on 30<sup>th</sup> June 2021. The minutes of the meeting state that the Chairman would liaise with the internal auditor on the situation and issue a statement which will accompany the Public Interest Report on the website. We note that a statement has been issued which refers to the Chairman having contacted the internal auditor. However, although we have offered to talk to the Chairman, by telephone or in person, we have not been able to do so.*

*R1. The Chairman's statement which accompanies the PIR on the website should be amended to remove the reference to having contacted the internal auditor.*

#### *(b) Retrospective Audit of the 2019-20 AGAR*

*The minutes of the Council meeting of 30<sup>th</sup> June 2021 also state that the Parish Clerk has retrospectively submitted the annual governance statement [we assume this refers to the AGAR] for 2019-20 to ensure that the Council was audited correctly. From our discussions with the Parish Clerk, we have confirmed that this external audit work has not yet been undertaken. From our own discussions with a representative of the External Auditors at the time of last year's final internal audit, we understood that, as the PIR had been issued and*

*the following year's external audit has already been completed, there would be little or no benefit from this exercise being undertaken and the Council would be charged for any work that would be required. We reported this view to the Parish Clerk.*

R2. *The Council should consider the merits of requesting a retrospective audit of the 2019-20 AGAR with the External Auditor, before incurring any expenditure.*

(c) *Council completion of the Annual Governance Statement (Section 1) in the 2020-21 AGAR.*

*In our final update report for 2020-21 (Recommendation 2), we advised the Council that, as no copy of the "Notice of Electors' Rights" had been retained in relation to the 2019-20 audit, it was not able to demonstrate that it had complied with the requirements of the Accounts & Audit Regulations regarding the exercise of electors' rights in the summer of 2020 (in relation to the 2019-20 accounts) and, therefore, must answer "No" to Assertion 4 in the Annual Governance Statement (Section 1 of the 2021-22 AGAR). We note that, when the Section 1 of the AGAR was subsequently completed, this assertion was answered as "Yes" and this led to a qualification by the External Auditor.*

*We note that in completing the 2020-21 audit, the External Auditor identified an error in the public inspection arrangements made in the summer of 2021 – because the AGAR was approved by the Council after the start of the period for the exercise of electors' rights (now referred to as "public rights"). As a result, the External Audit Report concludes that, as the Council did not comply with Regulation 15 of the Accounts and Audit Regulations 2015, it must answer 'No' to Assertion 4 of the Annual Governance Statement for 2021-22 and ensure that it makes proper provision for the exercise of public rights during 2022-23.*

R3. *The Council must ensure that it answers 'No' to Assertion 4 of the Annual Governance Statement for 2021-22 (Section 1 of the AGAR) and ensure that it makes proper provision for the exercise of public rights in the following year.*

(d) *Inconsistencies between the Financial Regulations and Standing Orders and the practices followed by the Council*

*In undertaking last year's interim audit, we noted a number of instances where either or both of the documents were not consistent with the approach actually followed by the Council. –These included, for example, that whilst Financial Regulation 6.7 acknowledges the approach followed for on-line payments, Financial Regulations 5.2 and 6.2, together with Standing Order 16(a) still refer to a requirement for all but emergency payments to be authorised in advance by a resolution of the Council.*

*We recommended that when the Standing Orders and Financial Regulations were next reviewed, the Council should consider whether amendments are required in certain areas to reflect the practices that the Council now follows and to ensure there is consistency between the documents. However, in following up on this matter at this year's interim audit, we confirmed that the revised versions of the Standing Orders and Financial regulations considered by the F&GP Committee on 18<sup>th</sup> November 2021 did not address the matters we had raised.*



- R4. The Standing Orders and Financial Regulations should be revisited, to ensure that they fully reflect the practices that the Council now follows and to ensure there is consistency between the documents.*

## **Review of Expenditure**

Our objective is to ensure that:

- Council resources are released in accordance with the approved procedures and budgets;
- Payments are supported by appropriate documentation, either in the form of an original trade invoice or other appropriate form of document confirming the payment as due and/or an acknowledgement of receipt, where no other form of invoice is available;
- An official order is raised, where relevant: we acknowledge that this will not be necessary for many items of expenditure, which are regularly the subject of contracts (e.g., electricity supply) or legal requirements (e.g., non domestic rates);
- Any discounts due on goods and services supplied are identified and appropriate action taken to secure the discount;
- The correct expense codes have been applied to invoices when processed, and
- VAT has been identified correctly and coded to the Omega control account for periodic recovery.

During the course of our interim audit, we undertook a sample review of payments to check compliance with the above criteria. This included all individual payments over £1,000, together with a more random selection of every 35<sup>th</sup> cashbook transaction irrespective of value for the period to the end of September 2021. In all, we examined 24 payments, totalling just over £36,000, which equated to 35% of all non-pay related payments processed during that period. There were no issues arising from our audit work.

The Council makes use of Cooperative Bank debit cards, which are held by the Parish Clerk, Finance Officer and Grounds & Maintenance Manager. The payments are charged directly to the bank account. Several debit card payments were included in our expenditure sample and were found to be in order.

We confirmed that VAT returns are being submitted on a timely basis, each quarter. We checked and agreed the first two quarters re-claims to the relevant nominal ledger control account balance.

### ***Conclusion and recommendation***

***On the basis of our review, we are satisfied that the arrangements in place for the coding and authorisation of payments are sound, with adequate supporting documentation present for all payments in our test sample, and that appropriate action has been taken with regard to the re-claim of VAT. However, we would draw Members' attention to the following matter.***

***In the course of our audit work, we reviewed the tendering approach followed in relation to the award of the contract for the Splash Pad. We confirmed that a sound approach was***

*taken to the management of the tender process, with the tender advertised on the 'my tenders' website, and that the contract was formally awarded by the Council at its meeting on 1<sup>st</sup> September 2021, following receipt of a report from the Parish Clerk. However, from our review, we confirmed that the tendering approach did not comply fully with National regulatory requirements, or the Council's own standing orders. The regulatory requirements are set out in the Public Contracts Regulations 2015, which specify that any public contracts with an estimated value of over £25,000 must be published on the Government's Contracts Finder website. This requirement is also set out in Council's own Standing Orders [17c] and Financial Regulations [11.1(b)].*

*R5. When undertaking future tendering exercises with an estimated contract value of over £25,000, the Council must ensure that it complies fully with both the requirements of the Public Contracts Regulations 2015 and its own Standing Orders/Financial Regulations, by publishing the invitation to tender on the Government's Contracts Finder website. (NB: we have advised the Parish Clerk that it appears there is a link on the 'my tenders' website which, if activated, would automatically register any relevant tender on the Contracts Finder website).*

## **Assessment and management of Risk**

Our objective is to confirm that the Council has appropriate arrangements in place to identify potential areas of risk of both a financial and health & safety nature, whilst also ensuring that appropriate arrangements exist to monitor and manage those risks in order to minimise the opportunity of their coming to fruition.

In the course of our interim audit work, we have confirmed the following:

- The overall Risk Management Strategy and the detailed Risk Register were both reviewed and approved by the Council at its meeting on 3<sup>rd</sup> March 2021. These are scheduled to be revisited in March 2022, which will ensure that the requirement to formally consider the risk management arrangements within each financial year will be met;
- The Council's insurance continues to be provided by BHIB; the current policy having commenced on 1<sup>st</sup> October 2021. The cover includes employer's liability and public liability of £10 million and fidelity guarantee of £750,000. These are in line with councils of a similar size and complexity and would appear adequate to meet the Council's needs, and
- A suitably qualified member of the Council's staff undertakes weekly inspections of all of the play areas and play equipment. In addition, annual inspections are undertaken by the Play Inspection Company under an agency agreement with the District Council. If any issues arise, these are resolved by the Parish Council. The last annual inspections were completed in January 2021. These were considered by the Environment and Neighbourhood Committee in June 2021, who also noted the actions being taken to address matters raised. We also note that they are available on the Council's website.

## **Conclusion**

*There were no matters arising from our audit work in this area in the year to date that require a formal comment or recommendation.*

## Budget setting, budgetary control and reserves

Our objective here is to confirm that the Council has robust procedures in place for identifying and approving its future budgetary requirements and the level of Precept to be drawn down from the District Council, and that an effective budget reporting and monitoring process is in place. We also consider whether the Council is retaining sufficient funds in earmarked and general reserves to finance its ongoing spending plans and to cover any unplanned expenditure that might arise.

From our minutes review, we confirmed that Members are receiving detailed budget monitoring reports on a regular basis during 2021-22 which has enabled it to respond to matters arising on a timely basis.

The annual budget and Precept requirements for 2022-23 will be determined at the Council meeting in January 2022, following detailed consideration by the F&GP Committee. We note that a budget working party is being set up to assist in the process, with the terms of reference to be agreed at the F&GP Meeting on 18<sup>th</sup> November 2021.

### **Conclusion**

*There are no matters arising from our audit work in this area in the year to date that require a formal comment or recommendation. At our final audit visit, we will review the 2022-23 budget setting process, together with the Council's overall reserves position and the 2021-22 financial outturn.*

## Review of Income

In this area of our audit, our objective is to confirm that income due to the Council is identified, invoiced (where applicable), recovered at the appropriate rate and within a reasonable timescale, and also that it is banked promptly in accordance with the Financial Regulations.

The Council receives income from a variety of sources, including hire fees for use of the Community Centre and pavilions, allotment rentals, the letting of sports facilities, bank interest and recoverable VAT. Due to the impact of the Covid-19 pandemic, income from a number of these sources was significantly reduced in the first half of the year.

During the course of our interim audit, we undertook the following work:

- We confirmed that Members continue to review the scales of fees and charges annually. Those for 2021-22 were agreed by the F&GP Committee as part of the budget setting process;
- As noted earlier in this report, we have checked and agreed two sample months' receipts transactions from the Omega accounts to relevant bank statements;
- We examined a sample of invoices for hall bookings for a sample week in September 2021, to confirm that the fees charged were in accordance with the published scales and were settled in a timely manner,

We will consider other income areas at our final audit.

## **Conclusion**

*In general, the controls over the areas covered in our audit were found to be adequate and to be operating effectively. However, as reported last year, there is still an historic problem with the sales ledger which needs to be resolved.*

*The aged debtors report at the end of October 2021 still shows a significant number of unpaid invoices dating back as far as the start of the 2019-20 financial year, together with a number of un-matched credits. The position has improved from that reported at the time of last year's interim audit, due to the work undertaken by the Finance Officer. This has reduced the net value of debts over three months old from approximately £9,300 to just over £4,400. However, this is a time-consuming exercise and we are pleased to note that a report was being taken to the F&GP Committee on 18<sup>th</sup> November explaining the problem and requesting additional overtime hours to reconcile the aged debtor position. We will review the progress made in resolving this matter at our final audit.*

## **Petty Cash**

*The Council does not operate a petty cash account, any expenses incurred by officers or Members being reimbursed directly through the routine payment procedures.*

## **Review of Staff Salaries**

In examining the Council's payroll function, our objective is to confirm that staff are being paid in accordance with their contracts of employment, that extant employment legislation is being adhered to, that the requirements of HM Revenue and Customs (HMRC) legislation are satisfied regarding the deduction and payment over of income tax and NI contributions and that the requirements of the local government pension scheme are met.

The Council's salaries and wages are prepared by a local payroll bureau, Qtac Solutions Ltd. To check compliance with the above criteria, we examined the documentation provided by the payroll bureau for Month 7 (October 2021), to confirm that:

- The amounts paid to employees agreed to the approved pay rates for the financial year (NB the national pay award for 2021-22 had not been finalised at the time of our audit);
- The correct PAYE (employee) and National Insurance (employee and employer) deductions were made;
- The correct pension scheme percentage deductions (for employee and employer) were being applied, where applicable;
- Any additional payments for overtime were in accordance with agreed hours and rates;
- The net payments to staff made by BACS agreed to the overall payroll summary and individual payslips, and
- The correct payments have been made to HMRC and the Hertfordshire Pension Fund.

## **Conclusion**

*There were no matters arising from our audit work in this area in the year to date that*

*require a formal comment or recommendation.*

## **Asset Register**

The reporting arrangements for assets in the AGAR require councils to report the value of each asset at purchase cost or at a suitable proxy where that value is not known, and for community assets to be valued at a nominal £1. The value of individual assets should not change from one year to another, other than to reflect the inclusion of new assets purchased or removal of assets disposed of.

The Council maintains an asset register, using a spreadsheet, with asset values recorded in accordance with the above requirements. This is updated at the end of each financial year.

### **Conclusion and recommendation**

*We have not undertaken any work on the asset register at this interim audit, but will review the figures reported in the AGAR at our final visit.*

*In last year's final update report, we drew attention to a difference between the total asset value shown on the Council's asset register to the figure reported in the 2020-21 AGAR (Section 2, line 9) and that the year-on-year movement in the values shown in the asset register did not agree to the movement reported in the AGAR. We recommended that these differences be investigated, to ensure that the records reconcile and the correct total value is being reported in the AGAR, going forward. We confirmed with the Parish Clerk that at the time of our interim audit, the investigation had not been undertaken and our recommendation is, therefore, reiterated.*

*R6. As reported in last year's final update report, the differences between the total asset value shown in the Council's asset register and the figure reported in the 2020-21 AGAR (Section 2, line 9) should be investigated, to ensure that the Council can demonstrate that the correct total value is reported in the AGAR going forward.*

## **Investments and Loans**

Our objectives here are to ensure that the Council is investing "surplus funds", be they held temporarily or on a longer term basis, in appropriate banking and investment institutions; that an appropriate investment policy is in place; that the Council is obtaining the best rate of return on any such investments made; that interest earned is brought to account correctly and appropriately in the accounting records and that any loan repayments due to or payable by the Council are transacted in accordance with the relevant loan agreements.

A formal Investment Policy was initially adopted at the Council meeting on 1<sup>st</sup> July 2020, following consideration by the F&GP Committee. The Policy states that a significant percentage of the Council's reserves shall be placed on interest bearing term/notice deposits, as noted earlier in the report.

We have confirmed that the Council has no outstanding loans.

### ***Conclusion and recommendation***

***From our review of the minutes for the year to date, we noted that a revised Investment Policy was considered by the F&GP Committee on 8<sup>th</sup> July 2021 when it was resolved to recommend to Council to adopt the revised Policy. We have confirmed with the Parish Clerk that the Investment Policy has not yet been reported to the Council for formal adoption.***

***R7. The revised Investment Policy considered by the F&GP Committee on 8<sup>th</sup> July 2021 should be reported to the Council for adoption, at the earliest opportunity.***

Recommendation		Response
<b>Corporate Governance arrangements</b>		
R1	The Chairman's statement which accompanies the PIR on the website should be amended to remove the reference to having contacted the internal auditor	
R2	The Council should consider the merits of requesting a retrospective audit of the 2019-20 AGAR with the External Auditor, before incurring any expenditure.	
R3	The Council must ensure that it answers 'No' to Assertion 4 of the Annual Governance Statement for 2021-22 and ensure that it makes proper provision for the exercise of electors' rights in the following year.	
R4	The Standing Orders and Financial Regulations should be revisited, to ensure that they fully reflect the practices that the Council now follows and to ensure there is consistency between the documents.	
<b>Review of Expenditure</b>		
R5	When undertaking future tendering exercises with an estimated contract value of over £25,000, the Council must ensure that it complies fully with both the requirements of the Public Contracts Regulations 2015 and its own Standing Orders/Financial Regulations, by publishing the invitation to tender on the Government's Contracts Finder website. (NB, we have advised the Parish Clerk that it appears there is a link on the 'my tenders' website which, if activated, would automatically register any relevant tender on Contracts Finder).	

Recommendation		Response
<b>Asset Register</b>		
R6	As reported in last year's final update report, the differences between the total asset value shown in the Council's asset register and the figure reported in the 2020-21 AGAR (Section 2, line 9) should be investigated, to ensure that the Council can demonstrate that the correct total value is reported in the AGAR going forward	
<b>Investments and Loans</b>		
R7	The revised Investment Policy considered by the F&GP Committee on 8th July 2021 should be reported to the Council for adoption, at the earliest opportunity.	



## LONDON COLNEY PARISH COUNCIL

**COMMITTEE:** FINANCE & GENERAL PURPOSES

**DATE:** 9 DECEMBER 2021

**REPORT BY:** EMMA PAYNE, CLERK

**SUBJECT:** SPLASH PAD UPDATE

### 1. SUMMARY

- 1.1 This report outlines progress to date on the Splash Pad and make some suggestions on amendments to the original plan.

### 2. RECOMMENDATION

- 2.1 Members are asked to:
- a) Note the progress to date.
  - b) Consider the installation of a permanent path to the facility.
  - c) Consider the installation of a sunshade sail.
  - d) If b) or c) above is agreed, reconsider the budget for the project for recommendation to be adopted by Council on 19 January 2022.
  - e) Consider a name for the facility.

### 3. BACKGROUND

- 3.1 It was agreed at Council on 1 September 2021 that Kingcombe Stonbury was awarded the contract for the development of the splash pad at Morris Recreation Ground with the following tender:

Basic Scheme	£149,830.18
Grey water tank	£15,937.50
Artificial grass 387 sq m	£24,835.73
temp road surface	£4,930.00

**£195,533.41**

- 3.2 The total budget for the project agreed on 1 September 2021 was £216,000. This is made up of £200,000 from general reserves and S106 funding of £16,000.82
- 3.3 Work on the first stage of construction commenced on Monday 29 November including the excavation of the area for the installation of the water infrastructure. This means the temporary road surface must be installed to prevent further damage being done to the recreation ground. The contractor has advised the Clerk that they can install a path to the new facility at a cost of **£22,824.20** less the cost of temporary roadway of £4930.00.



- 3.4 The final design was put to a public vote on social media and the preferred design, by a large majority was the ship design (see below)



- 3.5 Several comments were made by the public at the time of voting about the lack of shade on site and the Clerk asked the contractor to provide a quotation for a sunshade sail to be installed during the first phase of development. This has been quoted at **£19,142**. If this option is chosen, then the contractor needs to know during this first phase of construction.





4.3 There are additional project costs which have not yet been ascertained including:

- a) Upgrading of water supply of the site
- b) Electrical work to the site to allow for the additional wattage required for the container café
- c) Container café purchase and installation
- d) Fencing the site

## 5. **IMPACT ASSESSMENT**

Strategic Plan	Objective One
Equalities	Facility with adhere to Equalities Act and Disability Legislation
Environmental/Sustainability	Grey water collection to offset water waste
Crime & Disorder	N/A
Financial	Exceeds budget agreed at Council 1/9/21
Resources (including workforce)	N/A
Risk Management	N/A

## **LONDON COLNEY PARISH COUNCIL**

**COMMITTEE:** FINANCE & GENERAL PURPOSES COMMITTEE

**DATE:** 9 DECEMBER 2021

**REPORT BY:** EMMA PAYNE, CLERK

**SUBJECT:** CONSULTATION ON SOUTHWEST HERTS JOINT STRATEGIC PLAN (JSP)

### **1. SUMMARY**

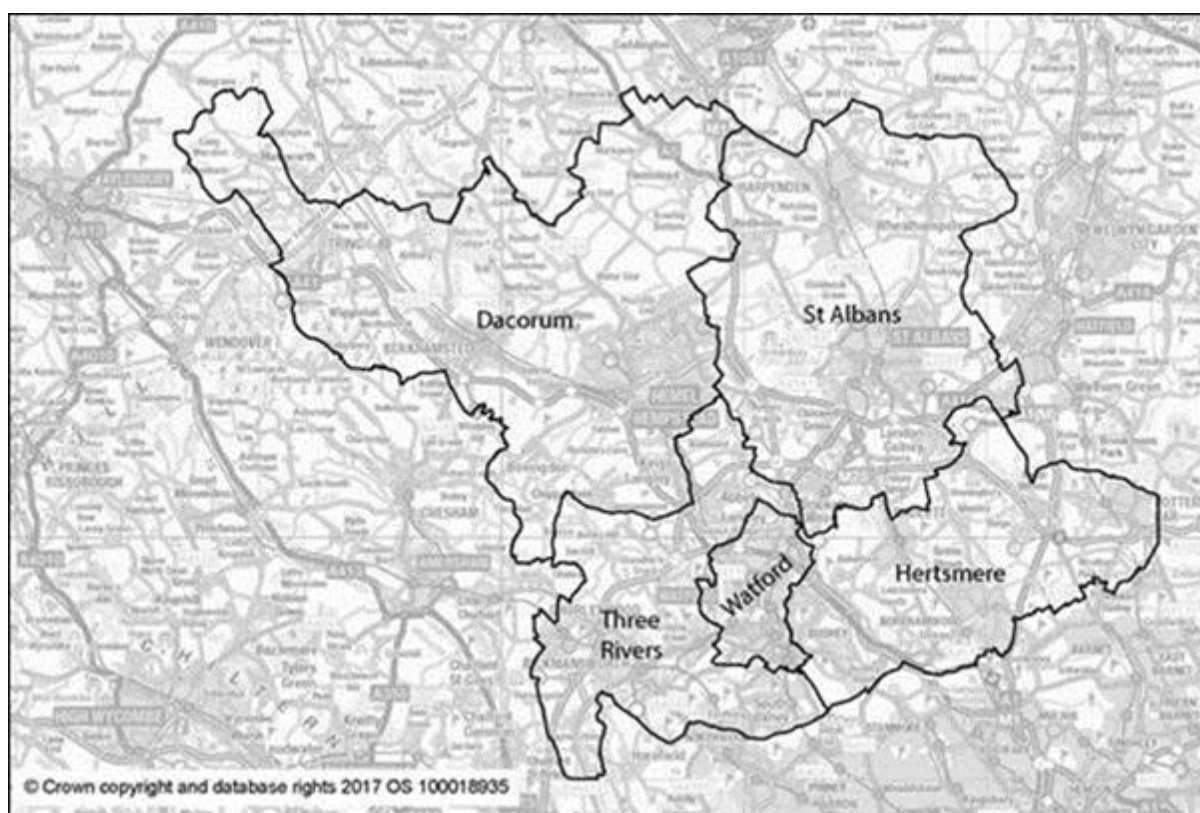
- 1.1 This report outlines a consultation on the vision for the Joint Strategic Plan covering the southern area of Hertfordshire, including London Colney.

### **2. RECOMMENDATION**

- 2.1 Members are asked if they wish to make a response to this consultation.

### **3. BACKGROUND**

- 3.1 The Joint Strategic Partnership (JSP) is formed of District Councils in the Southern area of Hertfordshire including St Albans District Council, Dacorum, Hertsmere, Three Rivers and Watford BC.



- 3.2 Each council is responsible for delivering its own local plan for development but the JSP will begin to set the framework and shared priorities within which Local Plans are prepared.

- 3.3 It is currently consulting on a vision for the area <https://www.swhertsplan.com/sw-herts-vision>

#### 4. **FINANCE**

- 4.1 There are no financial implications.

#### 5. **IMPACT ASSESSMENT**

Strategic Plan	Objective Two
Equalities	N/A
Environmental/Sustainability	Will have an effect on climate change and biodiversity in the area.
Crime & Disorder	N/A
Financial	N/A
Resources (including workforce)	N/A
Risk Management	N/A

## **LONDON COLNEY PARISH COUNCIL**

**COMMITTEE: FINANCE & GENERAL PURPOSES**

**DATE: 9 DECEMBER 2021**

**REPORT BY: EMMA PAYNE, CLERK**

**SUBJECT: CONTINGENCY PLAN FOR PARISH COUNCIL OPERATION  
IN THE EVENT OF A NATIONAL LOCKDOWN**

### **1. SUMMARY**

- 1.1 Members are asked to consider the operation of the parish council in the event of a national lockdown.
- 1.2 There are currently no legal means of holding virtual parish council meetings, where decisions can be made which are lawful.

### **2. RECOMMENDATION**

Members are asked to consider the proposed scheme of delegation below, and subject to any amendments by this committee, recommend its adoption at Council on 17 January 2022 (or earlier if required).

### **3. BACKGROUND**

- 3.1 During the first lockdown in 2020, the 2020 Coronavirus Act allowed local government to meet using virtual platforms to conduct the day-to-day business of the Council. These powers lapsed in May 2021 and the parish council recommenced face to face meetings when decisions needed to be ratified.
- 3.2 Members may want to consider the operation of the Council in the event of a future lockdown. There is a scheme of delegation for Committees and Officers, but it does not have specific mention of delegation of the Clerk on enacting decisions made by the Council in a virtual setting.
- 3.3 Members may want to consider recommending to Council that they enact a scheme of delegation to the Clerk in consultation with the Chair and Vice Chair. This could be after a virtual meeting is held with all councillors present to 'advise' the Clerk on the decisions of the Council. These decisions would then be conveyed to all Councillors by email; recorded and presented to a future in-person meeting.
- 3.4 During the lockdowns in 2020/21, the office staff worked remotely or as a lone worker in the office. The grounds maintenance team maintained social distancing and continued to work.
- 3.5 If there was to be an emergency which could not be handled through delegated powers, then the Clerk will convey a meeting that meets the criteria which exists at the time of the lockdown e.g., meeting in an open space (car park).
- 3.6 The Council has a subscription to Zoom and Teams which can be used for virtual meetings.

**4. FINANCE**

There are no financial implications.

**5. IMPACT ASSESSMENT**

Strategic Plan	Objective Five
Equalities	N/A
Environmental/Sustainability	N/A
Crime & Disorder	There are no powers to meet virtually
Financial	N/A
Resources (including workforce)	N/A
Risk Management	Continues the operation of the parish council



## **London Colney Parish Council**

### **Proposed Scheme of Delegation in the Event of a National Lockdown**

London Colney Parish Council RESOLVED at a meeting held on \_\_\_\_\_ that in response to the Covid-19 outbreak in the UK and the imposition of a national lockdown, and in the event that it is not possible to convene a meeting of the council in a reasonable time, the Clerk shall have delegated authority to make decisions on behalf of the council where such decision cannot reasonably be deferred and must be made in order to comply with a commercial or statutory deadline.

This will be carried out where possible by consultation with members by electronic means or telephone. It is anticipated that the Clerk will convene virtual meetings which will be attended by a quorum of Councillors for the purpose of directing the Clerk towards a decision that the majority of those attending the meeting agree upon.

The clerk will further consult with the chairman for guidance as necessary. The delegation does not extend to matters expressly reserved to the council in legislation or in its Standing Orders or Financial Regulations. Any decisions made under this delegation must be recorded in writing and must be published in accordance with the relevant regulations. This delegated authority ceases upon the first meeting of the council after the national lockdown ceases.

The purpose of this scheme is to set out emergency delegation arrangements to be applied should Covid 19 prevent the Council from making decisions at meetings as it would do normally.

- It is lawful for the Clerk to spend against specific items in the Council's budget, which will be detailed in a report to be circulated to all councillors and reported to a Council meeting
- These items have been identified in the budget when setting the precept.
- In making these payments, the budget may be exceeded by up to 15% for exceptional circumstances e.g., emergency works to parish council assets.
- Delegate decisions on planning applications to the Clerk following a virtual meeting of the planning committee to express their opinions on these applications.



## **LONDON COLNEY PARISH COUNCIL**

### **INVESTMENT POLICY**

#### **1. INTRODUCTION**

- 1.1 This policy has been created under guidance issued by the Secretary for Communities and Local Government in accordance with the Local Government Act 2003. The Guidance was issued by DCLG in 2010.
- 1.2 London Colney Parish Council acknowledges its responsibility to the community and the importance of prudently investing any reserves held by the Council.
- 1.3 The Guidance states:
- a) Where a Town or Parish Council expects its investments at any time during a financial year to exceed £100,000, the Guidance should apply in relation to that year.
  - b) Where a Town or Parish Council expects its investments at any time during a financial year to exceed £10,000 but not £100,000 it should decide on the extent, if any, to which it would be reasonable to have regard to the Guidance in relation to that year.
  - c) Where a Town or Parish Council expects its investments at any time during a financial year not to exceed £10,000, no part of the Guidance need be treated as applying in relation to that year.
- 1.4 The Council expects its investments during 2021-22 to exceed £100,000 and therefore has agreed to apply the Guidance as set out below.

#### **2. OBJECTIVES**

- 2.1 The general policy objective of the Council is prudent investment of its balances. The Council's investment priorities are:
- a) Security of reserves
  - b) Liquidity of investments
  - c) To give consideration for ethical principles
- 2.2 The Council will aim to achieve the optimum return on its investments commensurate with the proper levels of security and liquidity.

#### **3. INVESTMENT POLICY**

- 3.1 The Parish Council shall diversify its reserves between multiple relatively highly rated UK banks and building societies. The Council shall only use specified investments as defined by DCLG guidance.
- 3.2 A significant percentage of the Council's reserves shall be placed on interest bearing term/notice deposits.

- 3.3 To retain liquidity these shall be placed with phased end dates i.e., there will always be some maturing sooner than others.
- 3.4 No investment shall be held with the council's current bankers.
- 3.5 The Parish Town Council shall only invest with banks/building societies which it defines as "High Credit Quality". This being those with a credit rating of A with Moody's Investors Service or BBB with Standard and Poor's or Fitch Ratings Ltd.
- 3.6 Investments shall be decided and placed by the Responsible Financial Officer having used due diligence including as a minimum finance search engines and ratings agencies.
- a) This shall be under the oversight two members of the Finance & General Purposes Committee
  - b) The actual movement of money shall be by the usual authorised signatories
- 3.7 The procedure for undertaking investments, considering the need for timely and speedy placing of deals) shall be documented by the Responsible Financial Officer and approved by the Finance Committee before any investments are placed.
- 3.8 The Responsible Financial Officer shall review credit ratings of organisations in which the Council holds investments on a bi-annual basis. Should the credit rating of an organisation fall below that specified under 3.5, the Responsible Financial Officer shall consult the Banking and Investments working group and take the appropriate action.

#### **4. REVISION**

- 4.1 Any revisions to this policy shall be approved by the Full Council.
- 4.2 The Finance Committee shall review this policy annually and recommend any proposed changes to Full Council prior to the commencement of the new financial year. Where no changes are proposed, Full Council shall note the policy.
- 4.3 Notwithstanding 4.2 this policy shall be reviewed in the event the Bank of England increases its base rate above 3% or the Financial Services Compensation Scheme is extended to cover the Parish Council.



## LONDON COLNEY PARISH COUNCIL

### RESERVES POLICY

#### 1. Purpose

- 1.1 London Colney Parish Council is required to maintain adequate financial reserves to meet the needs of the organisation. The purpose of this policy is to set out how the Council will determine and review the level of reserves.
- 1.2 Sections 32 & 42 of the Local Government Finance Act 1992 requires local authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement. The level of reserves required will vary according to local circumstances and will be informed by their longer-term spending plans. There is no specified minimum or maximum level of reserves that an authority should hold. It is the responsibility of the Responsible Financial Officer (RFO) and Councillors to determine the level of reserves and to ensure that there are procedures for their establishment and use.
- 1.3 The Good Councillors Guide to Finance and Transparency 2017 suggests that a council should typically hold between 3 to 12 months expenditure as a general reserve. If the reserve is too low then it may not be enough to cover unexpected expenditure or emergencies, whilst if it is too high then local electors have paid tax which is not being used for the benefit of the local community.

#### 2. Types of Reserves

- 2.1 **General Reserves** can be categorised as reserves held to cushion the impact of uneven cash flows or unexpected events. In view of the Council expenditure approaching £350K and a precept of £250K per annum, the RFO recommends that the general reserve should stand at a minimum of £90,000.
- 2.2 **Earmarked Reserves** can be held for several reasons. As the name suggests, the Reserves comprises of amounts which are 'earmarked' for specific items of expenditure to meet known or predicted liabilities or projects. Specific reserves can be used to 'smooth' the effects of certain expenditure commitments over a period thereby reducing the impact of significant expenditure in any one year. 'Earmarked' reserves are typically held for four main reasons:
  - a) Renewals – to plan and finance an effective programme of equipment replacement, planned property maintenance or grounds maintenance. These reserves are a mechanism to smooth expenditure so that a sensible replacement programme can be achieved without the need to vary budgets. Earmarked reserves currently include, for instance, vehicle replacement and equipment maintenance.
  - b) To carry forward an under-spend – some projects have ring fenced budgets that may be underspent in a specific year such as election expenses. Earmarked reserves are used as a mechanism to carry forward these resources.
  - c) To indicate commitment to capital projects, such as improvements to the Council's recreational facilities including its play areas, community centre etc.
  - d) Other earmarked reserves – may be sent up from time to time to meet known or predicted liabilities.

- 2.3 **Capital Receipt Reserves** – represents capital receipts available to finance capital expenditure in future years. The Council faces possible significant expenditure on projects such as the refurbishment/replacement of the community centre

### **3. Monitoring and Reviewing Reserves**

- 3.1 General revenue reserves will be reviewed at each year end in conjunction with the year's surplus or deficit being added or subtracted. The Council must always keep a minimum balance sufficient to pay two months' salary to staff and associated expenses e.g. National Insurance, tax and pensions.
- 3.2 As part of the review Councillors will be asked to consider a transfer or all or part of the value of net gains on the annual budget to General or Earmarked reserves.
- 3.3 Earmarked Reserves are established on a 'needs' basis in line with anticipated requirements. Councillors review the levels and are asked to approve any additions and carry forward balances at the end of year financial year.
- 3.4 Capital Receipt Reserves will also be reviewed at each year end for justification and reasonableness. Capital reserves cannot be transferred to Revenue Reserves.
- 3.5 Expenditure from Reserves is subject to compliance with the Council's Financial Regulations in the normal way.
- 3.6 Revenue reserves should not be held to fund ongoing expenditure.
- 3.7 Reviewing the Council's Financial Risk Assessment is part of the annual budgeting by Committees and the year-end accounting procedures. Part of this process may identify planned and unplanned expenditure items and thereby indicate additional reserves may be to be added to Earmarked Reserves.

### **4. Principles to Assess the Adequacy of Balances and Reserves**

- 4.1 Setting the budgets is the responsibility of the individual Committees in collaboration with the RFO, reviewed by the Finance Committee and a recommendation is then made to Full Council for ratification and formal approval. This forms the foundation of setting the precept.
- 4.2 In order to assess the adequacy of Reserves when setting the budget, both the RFO and the Committees should take account of the strategic, operational and financial risks facing the Committees/ Council. The financial risks should be assessed in the context of the Council's overall approach to risk management. The RFO should ensure that the Council has put in place effective arrangements for internal audit and internal control.
- 4.3 Setting the level of Reserves is just one of several related decisions in the formulation of the long and medium term financial strategy as well as the budget for a particular year. Account should be taken of the key financial assumptions underpinning the budget alongside a consideration of the Council's financial management arrangements. In addition to the cash flow requirements of the Council the following factors should be considered:
- Inflation and interest rates – considering borrowing/debits and inflationary pressures on rental incomes, salaries, utilities and other contracts and purchase requirements.
  - Estimate of the level and timing for future capital receipts.
  - The Council's capacity to manage in-year budget pressures, particularly where demand can lead to pressure.

- Planning efficiency savings/productivity gains
- The financial risks inherent to any new funding partnership, major outsourcing arrangements or major capital developments.
- The adequacy of the insurance arrangements to cover major unforeseen risks.
- Availability of other funding sources i.e. Section 106 or grants for projects.

4.4 Balancing the budget by drawing on General Reserves (i.e. planning a budget deficit) must be viewed as a legitimate short-term option only. Such reserves must not be deployed to finance recurrent expenditure.

## **5. Governance concerning Financial Reserves**

5.1 The policy on Reserves will be reviewed annually following the Council's year end.

5.2 This will include a report from the RFO on the adequacy of the Reserves (Revenue, Earmarked and Capital) taking into account the forthcoming financial year and the Council's medium- and long-term financial plans or projects.

5.3 The RFO, in collaboration with the Finance Committee, should review the levels of Earmarked Reserves held and make recommendations to Full Council on creation of additional Reserves as well as the extinction of redundant Earmarked Reserves as part of the approval of the year-end Financial Statements.