

**SWAFFHAM TOWN COUNCIL**

Minutes of the Finance and General Purposes meeting on Wednesday 29<sup>th</sup> April 2009 at 7.00p.m. at the Town Hall, Swaffham.

Present: Mayor Cllr S. Matthews (in the chair)

Councillors: - Mr P. Darby, Mr C. Gunner,  
Mr D. Harman, Mr D. Wickerson.

Town Clerk:- Mr R. Bishop.  
Assistant Town Clerk:- Mrs R Noble

Clerical Assistant:- Mrs K Furnass  
Internal Auditor:- Mr T Lawlor

Public: - 0

**1. APOLOGIES FOR ABSENCE.**

1.1. Cllr. Sherwood, Work Commitments.

**2. DECLARATIONS OF INTEREST – for items included on the Agenda.**

2.1. Cllr. Gunner declared a personal interest on anything to do with the Museum.

**3. MINUTES of Finance & G.P. Meeting.**

3.1. The Minutes of the Finance and General Purposes meeting of 6<sup>th</sup> December were agreed and signed as a true record by the Chairman.

**4. QUARTERLY FINANCIAL REPORT from the Responsible Finance Officer.**

4.1. A copy of the Income expenditure account as it stands in the accounts system today has been circulated to the Committee at the meeting. The RFO will answer any questions if he is able to but the accounts are not complete for the year to 31<sup>st</sup> March 2009. The process to finish matters off for the year is as follows:-

- The Sales Ledger needs to be double checked against the invoices that have been raised outside of the system. It has been a sharp learning curve this past year and the intention is at some point to have a further RBS training day to teach us how to raise invoices in the system.
- The budget headings analysis needs to be double checked and transfer need to be made to reflect the true cost to each heading. e.g. Salaries need to be split into the various cost centres.
- There are some budgets that have been committed but not paid prior to the year end of 31<sup>st</sup> March need to be carried forward into the correct budget heading for the new financial year 2009/10.
- The end of year adjustments for all remaining budgets not carried forward will then determine the General Reserve figure to carry forward. It is expected that this may be

at zero or in deficit pending reimbursement from the allotment sale money for advance expenditure.

- The Purchase Ledger and the Cashbook are completely up to date and balance.

4.2. This is the first report (Appendix 1) by the new internal auditor Mr. Tony Lawlor FCCA. A copy of the internal audit report and the management response from the Town Clerk has been circulated to the Council at the meeting. A check list has been added to aid the internal auditor and to provide a consistent guide to the Council. There are two recommendations as follows:-

- i) The internal auditor recommended that petty cash operation reverts back to an imprest system and recommends a balance of £250. This has been amended by the Town Clerk to £400 with a review after 6 months and further recommended to dispose of the Imprest bank account. The imprest cash replenishment cheque would feature on the monthly payments listing presented to the Council.

**It was agreed to dispose of the Imprest Bank Account.**

- ii) The internal auditor recommends that the receipts in the cash book are posted numerically and that any gaps in the sequence of numbers are investigated and explained.

**It was agreed that the receipts in the cash book are posted numerically and that any gaps in the sequence of numbers are investigated and explained.**

There were some further observations as follows:-

- iii) Bank Reconciliation - the four bank accounts were reviewed by the Internal Auditor questioning the need for this. The Town Clerk responded by stating this was something under constant review and had been changed over the past year. The Nat West currently offers the Council the best flexibility as we have an overdraft facility with them that could not be accommodated by the Abbey National.
- iv) Proper bookkeeping – the internal auditor confirmed that the cashbook is maintained and up to date, arithmetically correct and regularly balanced.
- v) The Internal Auditor suggested that by both the levels of cheques and cash that the Council put in place a credit card machine.

**It was agreed for the Town Clerk to research putting a credit card machine in the office.**

4.3. The Town Clerk gave an interim report on end of year Accounts to 31<sup>st</sup> March 2009. There is no paperwork to consider for this item as it is too early to give the Committee the balance sheet and summary of income and expenditure. The issues identified at 4.1 have to be completed before a draft copy can be circulated for consideration. The draft copy will go to the full Council meeting on 10<sup>th</sup> June, but it is aimed to use Finance Committee members to identify any early issues. A copy will be sent to the Committee for comment in late May before the final draft is circulated to the full Council.

4.4. A cash-flow report and early budget considerations for 2009/10 was circulated to the Committee.

	<b>INCOME</b>	<b>EXPENDITURE</b>
<b>Capital Projects</b>	<p>£129,200 budgeted but to date none of this money has been received. It is all Section 106 money.</p> <ul style="list-style-type: none"> <li>• £39,000 has been confirmed in writing under a Section 106 agreement</li> <li>• ,Notification is expected on a further sum from the Lynn Road Bovis Homes development that would be in addition to the £129,200</li> </ul>	<p>£327,812 budgeted but nothing paid out to date.</p>
<b>Asset Management Fund</b>	<p>No income budgeted</p> <p>General Reserves recorded as £143,739</p>	<p>£9,739 budgeted but nothing spent to date.</p> <ul style="list-style-type: none"> <li>• The Council have committed to the Quantity Surveyor Robert Dale and expenditure will be due within the budgeted £5,000, this is an expense to be brought forward from 2008/09</li> </ul>
<b>Town Hall</b>	<p>£5,000 budgeted for the year as receipts for renting the offices and the Council Chamber. The income is currently on track for the first month/quarter.</p>	<p>£23,217 budgeted for expenditure. The expenditure is currently on track for the month/quarter.</p>
<b>Admin &amp; Miscellaneous</b>	<p>£1,850 budgeted and allocated as interest received from the bank.</p> <ul style="list-style-type: none"> <li>• This is likely be reduced due to balances held being so low and low interest rates.</li> </ul>	<p>£148,598 budgeted and has starting to be spent in April. The expenditure in this cost centre is funded mostly from the Precept and the first half of this has been received.</p>
<b>Market</b>	<p>£51,500 budgeted. The income is coming in for annual invoices and normal monthly payers.</p>	<p>£25,631 is budgeted as expenditure attributed to the Market.</p> <ul style="list-style-type: none"> <li>• Market Rates budgeted at £3,823 to take account of transitional relief following re-rating last year.</li> <li>• From 1<sup>st</sup> April 2009 transitional relief has been stopped by government resulting in the full figure of £7,153.75 being charged. This is an additional £3,330 over budget.</li> </ul>

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<b>Northwell Pool</b>	£2,272 budgeted via agency agreement with Anglian Water.	£13,540 is budgeted for Northwell Pool. This figure includes £10,000 for the repairs to the retaining wall.
<b>Youth Council</b>	£1,000 income budgeted to come from events.	£7,640 is budgeted for the Youth Council. <ul style="list-style-type: none"> <li>The Town Clerk will be attending the Youth Council AGM in June to discuss future budgets.</li> </ul>
<b>Allotments</b>	£3,800 budgeted but none has been received. The annual allotment bills go out in the Autumn and received in the third quarter of the year.	£8,905 budgeted and expenditure will be greater during the summer months. So 75% will be spent in the first two quarters of the financial year. <ul style="list-style-type: none"> <li>Allotment advance expenditure to be reimbursed on receipt of funds from the sale of surplus allotments has been brought forward from 2007/08 &amp; 2008/09. The sum currently stands at approximately £75,000</li> </ul>
<b>Recreation Ground</b>	£365 budgeted which is for one visit of a travelling circus. To date one circus is booked this year..	£9,809 budgeted which includes £3,300 held on account for the skatepark. The expenditure is greater during the summer months.
<b>Toilets &amp; TIC</b>	£3,938 budgeted for rent received for letting out the old TIC building. <ul style="list-style-type: none"> <li>The commuted sum is required to assist the cash-flow situation for the foreseeable future so no interest is budgeted for in the short term.</li> </ul>	£26,446 budgeted. The cleaning and maintenance costs are being paid out.
<b>Cemetery &amp; Churchyard</b>	£5,250 budgeted for, but this is the hardest item of all to predict.	£25,707 budgeted but the majority of the expense is during the summer months. <ul style="list-style-type: none"> <li>Health &amp; Safety issues such as headstone safety will be scheduled during the first two quarters this year.</li> </ul>
<b>Open Spaces</b>	No budgeted income	£21,227 budgeted with the majority of expenditure incurred during the summer months.
<b>Amenities &amp; Agency</b>	£10,622 budgeted and apart from 50% of the Museum Loan repayments which will account for £1,680 in the year this income should be in during the first half of the financial year.	£30,500 budgeted and fairly evenly spread over the four quarters of the year. <ul style="list-style-type: none"> <li>The street lighting costs continue to remain a concern.</li> </ul>
<b>Precept</b>	The first half year of Precept has	

<b>Page 508</b>	been received of £96,619	
<b>OTHER ISSUES</b>		
<b>Reserves</b>		<b>The Reserves are currently nil</b>
<b>Vat</b>		<b>We are currently awaiting £11,851 from Revenue &amp; Customs for Vat</b>
<b>SUMMARY</b>		
	<b>Income</b>	<b>Expenditure</b>
	-£85,000 land sale 2007/08	<ul style="list-style-type: none"> <li>• £75,000 for Allotments</li> <li>• £45,000 for other reimbursements due</li> </ul>
<b>Overdraft</b> <b>50,000</b>	-So we are currently not using the overdraft facility.	
<b>Bank balances</b> <b>36,934</b>		

4.5. A discussion took place regarding the cost of street lighting. It was suggested the cost may be reduced if we were able to bypass Breckland Council and deal directly with Norfolk County Council and possibly for the Town Council to deal with the maintenance of the lights.

**It was agreed for the RFO to contact the Finance department at Breckland to see if the Town Council is able to deal directly with Norfolk County Council with regards to the Street Lighting.**

**It was agreed for the RFO to research options for the Town Council to deal with the maintenance of the Street Lighting.**

4.6. It was reported the structural engineer still has to produce a full survey relating to the work which has to be carried out to the wall at Northwell Pool, which he was unable to do previously because he was unable to get close enough to the wall because of the growth.

**5. Financial Implications of the following:-**

5.1. The RFO has reviewed the Financial Risk Assessments and updated accordingly. All changes have been highlighted in red to assist identification and have been presented to the Committee for formal adoption.

**It was agreed to accept the amendments to the Financial Risk Assessments.**

5.2. It was reported the Fidelity Guarantee is currently at £150,000 and this has been raised now in three consecutive external annual audit reports by the Audit Commission. The RFO is aware of this being an issue with Mazaars our new auditors for 2007/08. The level of cover was increased last year for the first time in three years to £150,000. The guideline is the Councils cash balances + 50% of the Precept. It was suggested to increase the level of cover to £200,000 from the 1<sup>st</sup> June 2009 this is to take into account the Council's overdraft facility of £50,000, 50% of the Precept = £96,619 and a balance of £53,381. It was further recommended to review this again on receipt of funds for the sale of surplus allotment land. It was also suggested for the Committee to consider whether to have an instruction in place prior to this to increase the cover to take account of any receipt relating to the sale of surplus allotment land.

**It was agreed to increase the level of cover to £200,000 from 1<sup>st</sup> June 2009.**

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5.3. The asset register to 31<sup>st</sup> March 2009 and policy schedule for the insurance policy have been circulated to the Committee at the meeting for consideration. The policy is due for renewal on 1<sup>st</sup> June 2009. It was suggested the Committee needs to ensure all asset valuations are consistent with the cover on the insurance policy. It was suggested the Committee have one month to feedback to the RFO any observations or obvious changes that need to be made.

**It was agreed the Committee have one month to feedback to the RFO any observations or obvious changes that need to be made.**

5.4. A list of contractors and suppliers has been circulated to the Committee at the meeting. This is the first list of contractors and suppliers that we have had which will be constantly updated from now on. It was suggested the Committee adopt the list as read and review or make suggestions for additions or changes.

5.5. The Financial Regulations with proposed amendments highlighted in red was circulated to the Committee for recommendation to the full Council on 13<sup>th</sup> May 2009.

**It was agreed the Financial Regulations with proposed amendments are recommended to the full Council on 13<sup>th</sup> May 2009.**

**5. Date of NEXT MEETING**

5.1. The date of the next meeting is Wednesday 29<sup>th</sup> July 2009 at 7.00p.m.

The meeting closed at 8.25 p.m.

Chairman .....