

FARNHAM ROYAL PARISH COUNCIL

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MINUTES OF THE MEETING OF THE FINANCE COMMITTEE OF FARNHAM ROYAL PARISH COUNCIL HELD ON WEDNESDAY 13 OCTOBER 2021 AT 10.00AM AT FARNHAM COMMON VILLAGE HALL

Present

Paul Rowley (Chairman)
Marilyn Rolfe
Bob Milne
Judith Hall (Clerk)

21/27/FC Apologies for absence

Jenny Quilter and David Moore

21/28/FC To appoint a chair

Those present nominated Paul Rowley. Mr. Rowley consented and the appointment **was agreed**.

21/29/FC To approve minutes of the meeting held on 14 July 2021

The minutes of the meeting were **confirmed** as a true and accurate record and they were then signed by the Chairman.

21/30/FC Matters arising from previous minutes not covered elsewhere on the agenda

30.1 Finance Regulations – Bob Milne asked whether Paul Rowley, as Chairman of the Finance Committee, was reviewing and authorising the cashbook prior to its issue to parish councillors for consideration at each parish council meeting as per 5.5 of the Finance Regulations. Paul Rowley confirmed that he was. It was suggested by Marilyn Rolfe that to provide evidence for audit purposes, the reviewer should sign/initial the spot checked invoices. This **was agreed**.

30.2 Asset Register – The Clerk advised that the advice received, verbally, from Buckinghamshire and Milton Keynes Association of Local Councils (“BALC”) was that depreciation was not applied to local council assets. The Clerk continued that she had been directed to The Practitioners’ Guide issued by the Joint Panel on Accountability Governance which is responsible for issuing proper practices about the governance and accounts of smaller authorities. He advised that this seemed to contradict the statement made by BALC and read the following paragraphs:

‘5.147..... A particular method of asset valuation is not specified in proper practices so authorities may use any reasonable approach to be applied consistently from year to year. The method of asset valuation adopted should be set out in a policy approved by the authority and recorded in authority’s minutes and in the asset register.

5.148. For authorities covered by this Guide, an appropriate and commonly used method of fixed asset valuation for first registration on the asset register is at acquisition cost. This means that in most circumstances once recorded in the asset register, the recorded value of the asset will not change from year to year, unless the asset is materially enhanced. Commercial concepts of depreciation, impairment adjustments, and revaluation are not required or appropriate for this method of asset valuation. For reporting purposes therefore, the original value of fixed assets will usually stay constant throughout their life until disposal.

5.149. If for some reason the authority decides that the basis of valuation should be changed, the change must be applied consistently to all relevant classes of fixed assets.’

The Clerk was asked to carry on looking into whether the parish council could apply depreciation to its assets as those present felt it would be appropriate to do so.

30.3 Risk Register – The Clerk advised that Marilyn Rolfe was kindly helping her with reviewing and updating the risk register. Once this had been completed it was felt that it should be forwarded to Jenny Quilter as she has expertise and experience in this field. It **was agreed** that trees on the verges and devolved services should be included on the register.

21/31/FC To review the quarterly management accounts to 30 September 2021

The Chairman asked those present whether they had had an opportunity to review the quarterly management accounts and notes previously circulated. Those present confirmed they had. The management accounts and accompanying notes were discussed almost line by line. The following actions **were agreed**:

31.1 The Clerk asked whether the parish council should have an investment policy as the funds held in the reserve account with the Co-Operative Bank weren't earning very much interest anymore and she was not aware that anyone had looked at the available options. She suggested that the decision may be to keep things as they are but suggested that it might be sensible to consider any available options. The Clerk was asked to see what other parish councils do and to ask BALC for advice.

31.2 The Clerk was asked to chase Buckinghamshire Council for the shortfall in the 2020/21 and 2021/22 Devolved Services payment.

31.3 It was felt that the payment of £1,500 made to Farnham Common Sports Club in respect of a contribution towards the cost of the survey was not a grant. It **was agreed** that this payment would be reallocated from Grants to a new line titled 'Projects'.

31.4 It **was agreed** to recommend the management accounts acceptance at the October 2021 parish council meeting.

21/32/FC To review the External Auditor's Report for the year to 31 March 2021

The Clerk advised that the 2020/21 External Audit has been completed. The external auditor advised that the figure relating to the total value of cash and short term investments in the Accounting Statement contained within the Annual Governance and Accountability Return incorrectly included an amount of £331 that had been accounted for as a payment out of the cashbook but had not yet been taken as a direct debit from the bank account. The payment was taken after the year end. The external auditor therefore requested that the figure stated was increased by £331. The figures disclosed in the Accounting Statement are provided by the parish council's accountant and it **was agreed** that the Clerk will ensure that the accountant has, in future, made any necessary adjustments in this regard.

21/33/FC Initial discussion regarding 2022/23 budget

The Clerk suggested that an additional Finance Committee meeting should be scheduled in November 2021 to purely focus on the budget as currently the next meeting is 12 January 2022 which is only a couple of weeks before the parish council meeting that must agree the budget and precept. This **was agreed**.

There was then a brief discussion regarding the 2022/23 budget but Paul Rowley had to leave the meeting at 12.15pm. The meeting then closed as it was no longer quorate.

Signed as a true record of the meeting:-

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Chairman