

## YARDLEY GOBION PARISH COUNCIL

Notice is hereby given of a meeting of Yardley Gobion Parish Council Finance & General Purposes Committee to be held at 4.00pm on Wednesday 31<sup>st</sup> May 2023 in Yardley Gobion Village Hall. Committee Members are summoned to this meeting and the public and press are invited to be present.

Clerk - Lesley Ratcliffe

25.5.23

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### -AGENDA-

- 1 A report of the YGPC finances and projected budget
- 2 Request for grant from YGRC to assist with the purchase of a new boiler.
- 3 Request from the Playground Refurbishment group for a grant to assist with the new play area.
- 4 Internal Audit Report
- 5 Financial information required at PC meetings

YARDLEY GOBION PARISH COUNCIL - BREAKDOWN OF COSTS

<b>Yardley Gobion Parish Council Costs to Date and Projected Year End Costs</b>											
	Salaries	Administration	Street light energy/maint	Street light replacement	Mowing	Playing fields maintenance	Playing field equip	Allotments	Section 137	Other	Total
Apr-June23	£1,333.80	£968.63	£161.08	£0.00	£1,500.00	£100.00	£0.00	£287.25	£0.00	£1,092.78	<b>£5,443.54</b>
July-Sept23	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	<b>£0.00</b>
Oct-Dec23	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	<b>£0.00</b>
<b>Totals</b>	<b>£1,333.80</b>	<b>£968.63</b>	<b>£161.08</b>	<b>£0.00</b>	<b>£1,500.00</b>	<b>£100.00</b>	<b>£0.00</b>	<b>£287.25</b>	<b>£0.00</b>	<b>£1,092.78</b>	<b>£5,443.54</b>
F&GP Recommendations for current year 2023/2024	£8,500.00	£1,500.00	£5,000.00	£0.00	£8,000.00	£2,000.00	£0.00	£0.00	£2,500.00	£3,000.00	<b>£30,500.00</b>
Difference	£7,166.20	£531.37	£4,838.92	£0.00	£6,500.00	£1,900.00	£0.00	<b>£287.25</b>	£0.00	£1,907.22	

## Yardley Gobion Parish Council Statement of Reserves

<b>Opening Balance 01/04/23</b>	<b>£27,684.30</b>
Plus Precept	£25,500.00
<b>Total</b>	<b>£53,184.30</b>
Minus Earmarked reserves	£6,500.00
<b>Total</b>	<b>£46,684.30</b>
<b>Minus Budget</b>	<b>£30,500.00</b>
Reserves	£16,184.30
Plus reserve for Coronation - not used	£1,000.00
	£17,184.30
<b>Minus money earmarked for banner</b>	<b>£100.00</b>
<b>Total</b>	<b>£17,084.30</b>
Also money for public consultation for burial site	
Poss Grant for Rec Centre	

## Annual Internal Audit Report

Name of council:	Yardley Gobion Parish Council		
Name of Internal Auditor:	John Marshall	Date of report:	09.05.2023
Year ending:	31 March 2023	Date audit carried out:	09.05.2023

*Internal audit is the periodic independent review of a council's internal controls resulting in an assurance report designed to improve the effectiveness and efficiency of the activities and operating procedures under the council's control. Managing the council's internal controls should be a day-to-day function of the staff and management and not left for internal audit. This report is based on the evidence examined and made available to me. It would be incorrect to view internal audit as the detailed inspection of every record and transaction of the Council in order to detect error or fraud. Consequently the report is limited to those matters set out below.*

***The council is required to take appropriate action on all matters raised in reports from internal and external audit and to respond to matters brought to its attention by internal and external audit. Failure to take appropriate action may lead to a qualified audit opinion.***

### To the Chairman of the Council:

I met with Lesley Ratcliffe, Clerk and RFO on 09 May to conduct the year-end internal audit. I would thank Lesley for his assistance and co-operation in carrying out the audit.

Prior to our meeting, I examined the publicly available information displayed on the council's website including the council's policies, procedures, agendas, minutes, financial and other records. I sought evidence that the previous year's Internal and External Audit reports had been properly reported to and where necessary acted upon by the Council; they had. I then examined the council's arrangements for the management and control of its business in the areas of bookkeeping, due process (ie compliance with the 'proper practices' as set out in the Practitioners' Guide\*), risk management, budget setting and monitoring, payroll, asset register, bank reconciliations, internal control and year-end procedures including the display of information and the exercise of public rights.

Where necessary, I requested and was provided with supplementary evidence to enable me to reach a conclusion regarding the enquiries I am required to make as set out in the Annual Internal Audit Report (AIAR) that forms part of the council's Annual Governance and Accountability Return (AGAR). This supplementary information was provided in the form of written answers to the questions raised together with scanned documents including the Accounting Statements (section 2 of the AGAR) and the bank reconciliation and questioning at the audit meeting.

I noted just one issue;

- the Asset Register includes items with an assigned value of £0; convention and 'best practice' requires that all assets are assigned a value based on either the price at acquisition or a nominal value of £1, for gifted assets or where the acquisition price is not known.

Notwithstanding the above, the administration and delivery of the council's business continues to be well ordered and organised. Based on the information made available to me I am satisfied that in all significant respects, the internal control objectives are being delivered and achieved to a standard adequate to meet the council's needs. Accordingly, I have completed and signed the Annual Internal Audit Report as required.

John Marshall, CiLCA  
 Internal Auditor to the Council  
 07505 139832  
[wjm.marshall1@gmail.com](mailto:wjm.marshall1@gmail.com)

The figures submitted in the Annual Return are:

	Year ending 31 March 2021	Year ending 31 March 2022
1. Balances brought forward	38,300	39,367
2. Annual precept	25,500	25,500
3. Total other receipts	6,821	5,554
4. Staff costs	5,252	7,960
5. Loan interest/capital repayments	0	0
6. Total other payments	26,002	34,777
7. Balances carried forward	39,367	27,684
8. Total cash and investments	39,367	27,684
9. Total fixed assets and long term assets	100,329	99,031
10. Total borrowings	0	0

\*The proper practices referred to in Accounts and Audit Regulations 2015 that smaller authorities must follow are set out in the *Practitioners' Guide (2023)*. A copy of the current guide is available for free download from this page:

<https://www.pkf-littlejohn.com/services-limited-assurance-regime-useful-documents-and-links>

**Reserves:**

- 5.30. As with any financial entity, it is essential that authorities have sufficient reserves (general and earmarked) to finance both their day-to-day operations and future plans.
- 5.31. Smaller authorities have no specific right to accumulate funds via the precept. All reserves should be reviewed and justified regularly (i.e. at least annually). It is good practice to transparently publish both the level and rationale of all reserves.

**General reserves:**

- 5.32. The general reserve of an authority comprises its cash flow and contingency funds to cover unexpected inflation, unforeseen events and unusual circumstances.
- 5.33. The generally accepted recommendation with regard to the appropriate minimum level of a smaller authority's general reserve is that this should be maintained at between three and twelve months of net revenue expenditure.
- 5.34. The reason for the wide range is to cater for the large variation in activity level between individual authorities. The smaller the authority, the closer the figure may be to 12 months expenditure, the larger the authority, the nearer to 3 months. In practice, any authority with income and expenditure in excess of £200,000 should plan towards 3 months equivalent general reserve.
- 5.35. In all of this it is important that each authority adopt, as a general reserve policy, the level appropriate to their size, situation, risks and plan their budget so as to ensure that the adopted level is maintained.
- 5.36. Authorities with significant self-generated income (other than the precept or levy) should take into account situations that may lead to a loss in revenue as well as increased costs and adapt their general reserve accordingly.

**Earmarked and other reserves:**

- 5.37. None of the above in any way affects the level of earmarked and/or capital receipts reserves that an authority may or should hold.
- 5.38. There is, in practice, no upper or lower limit to EMR/CRRs save only that they must be held for genuine and identifiable purposes and projects, and their level should be subject to regular review and justification (at least annually and at budget setting), and should be separately identified and enumerated. Significant levels of EMRs in particular may give rise to enquiries from internal and/or external auditors.

# Yardley Gobion Recreation Centre – Registered Charity 292510

## Application for Grant to Replace Boiler

25 April 2023

For the attention and consideration of Yardley Gobion Parish Council I submit this request for a grant to assist with the replacement of one system boiler at Yardley Gobion Recreation Centre, School Lane, Yardley Gobion NN12 7UL.

Formed by deed in 1986 and opened in 1990 the Recreation Centre was granted charitable status with the objective and aim in its Constitution to *“promote the benefit of the inhabitants of Yardley Gobion and the neighbourhood without distinction of sex or political, religious or other opinions by associating with the local authorities, voluntary organisations and inhabitants in a common effort to advance education and to provide facilities in the interests of social welfare for recreation and leisure time occupation with the object of improving the condition of life for the said inhabitants”*

### Background

The Recreation Centre heating and hot water is provided by three boilers, when serviced in 2022 one boiler the engineer reported that one boiler is no longer manufactured and should be replaced as some parts are showing significant wear due to age. Whilst it has continued to function over the winter it can be unreliable and should it fail parts are unlikely to be available. Based on this we, the Committee, agreed to replace this boiler now.

The boiler in question serves heating to the Sports Hall which is used for ballet, badminton, youth football and private functions. This is a key part of our infrastructure especially for younger members of our community engaging in sporting activities. Without heating in the winter months the hall will be unusable so we would lose revenue and fail to meet our obligations to provide facilities to the community.

The quotation for a new boiler is £3060.00, we seek your support and a donation toward this cost as one of the items on our agenda of works.

### Support and Funding

We have contacted various suppliers for quotations, British Gas declined to quote as they no longer serve commercial premises, our chosen supplier comes on the recommendation of a Trustee.

### Our Promise to the Parish Council

On behalf of the Committee I acknowledge and accept the conditions of the Parish Council support and confirm we will:

- Only use the grant for the purpose specified – a new boiler
- We will spend the money in the current financial year April 2023 – March 2024
- We will meet any shortfall in funding through our own fund raising and application for grants where possible e.g. WNC
- Allow Parish Councilors to visit the site before, during and after works
- Provide a written receipt for any funding received from the Parish Council
- Provide evidence of expenditure
- Acknowledge Parish Council support in any publication and end year accounts

I trust this application meets your requirements, I will attend the Annual Assembly on 2 May 2023 to discuss this application. Thanking you in advance for your favourable review of our request, should you have any questions or require additional information before the meeting please contact me on 07940 166846.

Regards

Hazel Wedderburn

Treasurer YGRC

## **Minutes of the Yardley Gobion Parish Council Finance and General Purposes Committee**

- 1) The Committee met in the Village Hall at 4pm Wednesday 31 May 2023. Present were Councillors McCord, Stephenson, Curtis and Weston. The Clerk and Responsible Financial Officer, Lesley Ratcliffe was present.
- 2) The Clerk opened the meeting and called for nominations for Chair. Cllr Ian McCord, proposed by Cllr Stephenson and seconded by Cllr Weston was unanimously elected.
- 3) The Chair thanked the Clerk for her work in putting together the information to inform the meeting.
- 4) Item 1: The financial position of the Parish Council was considered, the expenditure and income statement with projected costs to the end of the financial year and the reserve balances noted.
- 5) The committee reviewed the guidance from the Joint Panel of Accountability and Governance, as recommended by the Internal Auditor, about the level of reserves. The guidance did not state an exact amount, rather 3 to 12 months precept recommending that smaller authorities have nearer 12 months and those with £200,000 per year expenditure have closer to 3 months. With this in mind the Committee recommended the YGPC reserves should be a minimum of £10,000
- 6) Item 2: A recent request from the YG Recreation & Sports Centre to consider financial help toward a replacement boiler was considered. After discussion the committee decided to recommend to the PC that they use £700 of the £2500 budget set aside as S137 contributions.
- 7) Item 3: The committee discussed at length the proposal to refurbish the School Lane Play area. FCC had been identified by the volunteer group as a potential source of funding and requiring a minimum 10.75% contribution from a third party.
- 8) It was noted that the PC could be an applicant and given it has the ability to reclaim VAT the committee felt that the lead applicant must be the PC.
- 9) The committee noted that the 10.75% was in effect an administration charge from the grant funding body. That money was payable within 28 days notification of any successful grant award.
- 10) The committee noted that the grant funder would provide a maximum of £100,000 and wanted clarification as to whether or not the grant award was inclusive or exclusive of VAT.
- 11) The Committee wished to support a joint group of community volunteers and PC members and recommended that the PC should establish such a group formally with a clear Terms of Reference who should report via the PC member to the monthly meetings.



- 12) The Committee considered the available cash reserves and the cash flow implications of any project noting that whilst a VAT reclaim is possible when the invoice arrives it will be inclusive of 20% VAT that must be paid out then reclaimed from HMRC. The PC needs to have the funds to cover the invoice in full and needs to take great care that it remains solvent or find alternative arrangements.
- 13) Taking into account the above the Committee recommends that the maximum in this financial year is £5000 and only then toward the end of the financial year. Any application needs to be timed to ensure that cash flow is maintained.
- 14) Before any application is made the Committee felt it needed to meet to ensure that the cash flow remains positive.
- 15) Item 4: The committee reviewed the Internal Audit report that gave the council a clean audit noting one very minor point that assets must have a nominal value of £1 not zero as stated. This resulted in 3 assets being revalued at £1 each.
- 16) Item 5: The Committee noted a request from members about having financial information for every meeting and resolved to recommend to the PC that the Clerk provides the Statement of Reserves and Breakdown of Costs as were presented to the F&GP Committee at each monthly meeting of the PC for noting during the finance item on the agenda.

The meeting was closed at 6pm.

## **Recommendations from the F&GP Committee**

Meeting 4pm Wed 31 May 2023 in the Village Hall

- 1) That having reviewed the guidance from the Joint Panel of Accountability and Governance, as recommended by the Internal Auditor, the YGPC reserves should be a minimum of £10,000
- 2) That the Council agree to fund the request from Sports and Social Club for the boiler refurbishment at £700, payable from the S137 budget.
- 3) That the PC agree to contribute, in principle, towards a project to refurbish the School Lane Play Area .
- 4) That having considered the financial position of the council the maximum amount that the PC could spend in FY 23-24 is £5,000 towards the end of the financial year
- 5) That the guidance for applications of FCC, being the proposed lead funder of the play park refurbishment project, be circulated to all members of the PC
- 6) That before any amount can be agreed the F&GP Committee is updated with more information, namely;
  - a) That the PC agree to be the applicant to allow a VAT reclaim
  - b) That the PC establish a constituted working group with terms of reference to continue with the project with a mix of PC member(s) and interested residents
  - c) That a fully worked up project with all costs is provided as required by FCC Funder
  - d) That the VAT position is clarified, does the maximum grant application amount include VAT or not?
  - e) That the F&GP Committee work up a cash flow statement to ensure that the final invoice can be funded including VAT
  - f) that the Internal audit report was noted and recommended to the Council
- 7) That having considered the request from members, the Statement of Reserves & Breakdown of Costs and forecast expenditure to the year end is circulated with the agenda for all meetings in the format agreed by the F&GP Committee