

MINUTES of Meeting of Finance Sub-Committee held on Tuesday 7<sup>th</sup> October 2014 at the Ouse & Derwent Offices, Crockey Hill, York

PRESENT

Mr R E Britton (In the Chair)

Mr J Daniel

Cllr J Cattanach

Mr S Wragg

The Clerk – Mr Bill Symons

Finance Officer – Mrs F Bradley

APOLOGIES FOR ABSENCE

Apologies for absence were received from Mr J Hopwood and Cllr B Marshall.

DECLARATION OF INTEREST

There were no declarations of interest related to the items listed on the Agenda.

MINUTES OF LAST MEETING

The Chairman raised concern about the wording of the Minutes regarding the Scope of the Finance and General Purpose Sub Committee. The issue related to Members not having any voting arrangements. This Minute is supposed to highlight the Committee considers making a recommendation to the Board and does not have any delegated Authority. If multiple options are proposed and the Sub Committee cannot agree it cannot make a clear recommendation. The Sub Committee may then have to recommend a choice of options or report it is unable to make a recommendation.

It was UNANIMOUSLY AGREED that the Minutes of the Meeting held on the 3<sup>rd</sup> June 2014, a copy of the Minutes which had been sent to all Committee Members, be taken as read and APPROVED and that they be forthwith signed by the Chairman as a correct record.

There were no further matters arising from the Minutes that were not covered under the Agenda items.

MINUTES OF SITE MEETING

It was UNANIMOUSLY AGREED that the Minutes of the Meeting held on the 1<sup>st</sup> July 2014, a copy of the Minutes which had been sent to all Committee Members, be taken as read and APPROVED and that they be forthwith signed by the Chairman as a correct record.

There were no further matters arising from the Minutes.

## RATES

The Clerk reported that the Board has a policy of progressing court action on accounts in excess of £15. This is after the third reminder has been sent in regard to accounts where land transfers are not in hand or the ownership or occupation of the land is uncertain.

The Sub Committee Members agreed that this level was a bit low and needed increasing. However with smallholdings with limited land and low value rate accounts they may run unpaid for a number of years without settlement.

The Sub Committee Members recommended that the Board could introduce a new policy of taking court action on sums in excess of £30.00 or accounts which had not been paid for a period of three years. The policy remaining that a third reminder needs to have been sent. This also relating to the Clerks discretion in relation to matters where land transfers are not in hand or the ownership or occupation of the land is uncertain.

The Sub Committee UNANIMOUSLY RECOMMENDED the Clerks powers are changed regarding Court action to the action above.

## COMPLETION OF THE AUDIT 2013/14

The Clerk referred to a copy of the External Auditors certificate and opinion for the accounts for financial year 2013/14. A copy of the External Auditors certificate and opinion has been circulated to the Sub Committee Members prior to the meeting with the Agenda. The Board have advertised the outcome on the local Parish Council Notice Boards in the prescribed way.

## REVIEW OF THE EFFECTIVENESS OF INTERNAL CONTROL

The Clerk further referenced the concerns of the External Auditor regarding the review of the effectiveness of internal control.

The Clerk explained that the Boards Internal Auditor had provided a report 'effectiveness of internal control' which the Board Meeting has considered. This had met the criteria required by the External Auditor as the Board had not received any prequalification on this item on the audit return. However the Clerk was aware a number of other local Boards did get a prequalification on this item on the Audit return largely due to the way this item was minuted. The Board having the option to set up a Sub Committee to review this item and present to the main committee or continuing with the approach currently being carried out.

APPOINTMENT OF  
INTERNAL  
AUDITORS FOR  
FINANCIAL YEAR  
2014/15

BOARDS BUSINESS  
RISK ASSESMENT

The Sub Committee recommended that the Board should continue to review its effectiveness of internal control with the report being prepared by the Internal Auditor. This is because the internal auditor is believed to be impartial to the interests of Members and the Boards Consortium staff. This therefore avoids any potential conflict of interest. However the Boards Clerk should review the documentation and scope of this report to ensure that the audit compliance requirements are fully covered.

The Clerk also noted in the External Auditors report that a special interest will be taken on the valuing of assets in the Boards accounts.

The Clerk advised the Board that the audit of the Board's Accounts are reasonably complex along with the Consortium arrangements. Any new auditor would require some time to understand the working arrangements currently in place. In view of the current uncertainty it would appear impractical to change the Board's Auditor at this stage.

The current Auditors, Brodericks (Doncaster), who have carried out audits for a number of other Boards are familiar with the Consortium arrangements and the Audit Commission requirements.

In view of this the Clerk proposed that our existing Auditor is retained for the 2014/15 financial year audit because of the familiarity of our current systems. The cost of last year's audit, support and production of the required reports for the Board was £1,095 plus VAT; however the cost could increase depending on the requirements of the audit. The Sub-Committee UNANIMOUSLY RECOMMENDED the Board APPROVES the re-appointment of the Auditors for the 2014/15 financial year.

The Clerk informed Members that the Association of Drainage Authorities have issued a model policy document for the Boards risk assessment. This was introduced last year. The new format is in the form of a 3 x 3 matrix which evaluates the likelihood of an event happening against the consequence of the event happening. A draft updated risk assessment for the Board on this basis has been prepared which Members considered at the meeting.

It was noted that the risk assessment can be updated as new risks are established and mitigated. The risk assessment has been updated with the comments following the report of the Boards internal auditors report/letter.

The Sub Committee Members reviewed this document and considered the higher risk matters, which were highlighted in the report.

The Chairman noted item page 13 'equal opportunity' should be wider than key posts and should include all posts. The same applies to job descriptions on page 13 in that it is required for all positions not just its key positions.

The Clerk informed the Board that the Audit required the Board to formally consider and approve its Risk Assessment for 2014/2015.

## ASSET REPORTING

The Sub-Committee UNANIMOUSLY RECOMMENDED the Board adopts this policy approach to risk assessment and the evaluation carried out in the document for financial year 2014/15.

The Clerk and Finance Officer will review the valuation of the Boards assets to ensure compliance with the requirements of the Audit.

## DERWENT HOUSE IMPROVEMENTS

The Clerk informed Members that the next phase of the window replacements at Derwent House has now been completed. A budget remained for changing the rear oil boiler in Derwent House.

## DERWENT HOUSE LEASE RENEWAL

The Clerk informed Members that the Consortium office lease is due for renewal, the current lease ending its three-year period towards the end of this financial year. The Clerk had obtained three professional valuations to consider the current value of the property which had been circulated with the Agenda for the meeting. The information obtained indicates that the commercial rental market has not changed much from the valuations carried out three years ago when the exercise was last carried out.

Cllr J Cattanach raised it was difficult to establish a rate and it could be a different arrangement for charging an existing tenant regards open marketing of a vacant property as the rent to be charged could be different.

The rentable values were as follows:

<b>Valuer</b>	<b>Annual Charge (estimate 3 years ago)</b>
Lawrence Hannah LLP	£18,500 (£18,500)
Carter Towler Chartered Surveyors	£16,000 (£16,000)
Barry Crux & Co	£14,000 (£13,500)
Average Valuation	£16,166 (£16,000)
Previous Rate	£16,000 (£15,600 – last 3 years)

ACCOUNTS FOR  
CONFIRMATION

DATE OF NEXT  
MEETING

FUTURE MEETINGS

ANY OTHER  
BUSINESS

The above valuations were discussed and the Sub-Committee proposed that the rent is kept at the same level of £16,000 per annum to be recommended to the main Board. This as the offer to the Consortium for rental for a period of three years on the basis of the existing lease. The period starting on 1<sup>st</sup> April 2015. The Clerk to also be asked as part of the recommendation to engage a solicitor to update and put a new lease in place on behalf of the Board for the new period.

The Clerk referred to the list of accounts paid since the date of the last Meeting, which had been circulated to all Sub Committee Members with the Agenda.

The Committee reviewed and considered the list of accounts for confirmation and AGREED to RECOMMEND APPROVAL to the Board.

**(SEE APPENDIX TO MINUTES)**

**Tuesday 20<sup>th</sup> January 2015 at 1pm.** This being prior to the Board Meeting on 3<sup>rd</sup> February 2015.

**Tuesday 2<sup>nd</sup> June 2015 at 1pm.** This being prior to the Board meeting on 16<sup>th</sup> June 2015.

**Boards Bank Accounts**

The Clerk informed the Sub Committee that the Board continued to place funds on deposit in the Yorkshire Bank on a year deposit at quarterly intervals.

**Selby New Constitution**

Cllr J Cattanach raised that Selby District Council are realigning its boundaries and reducing its District Councillors down from 41 to 31 which could have an impact on the Council on the available Members for IDBs.

There being no further business the Chairman declared the Meeting closed.

**(APPENDICES TO FOLLOW)**