

THORPE MALSOR PARISH COUNCIL

Minutes of the meeting of Thorpe Malsor Parish Council held on 25th August 2020 in the Village Hall.

Present: Cllr F Pope (Chair), Cllr E Stevenson, Cllr H Sharp (acting Clerk & RFO)
No members of the public attended.

1. Election of the Chair for 20/21 and Signing of the Declaration of Acceptance of Office.

It was proposed that Cllr Pope remain as Chair for 2020-21. All were in favour and Cllr Pope was duly elected as Chair and signed the Declaration of Acceptance of Office.

2. To Approve the creation of an unpaid position of Clerk & appoint a Member of the Council as interim Clerk and RFO.

It was proposed that the Council create an unpaid position of Clerk, to allow a Member of the council to carry out the Clerk's role and act as the RFO as an interim solution, following the resignation of Mrs Walton-Miller. All were in favour and it was resolved that Cllr Sharp would perform these duties until such time as a new Clerk could be appointed.

The Chair thanked Cllr Sharp for all her work around the Audit process, updating policies as required, and for covering the role of Clerk in the interim.

3. Apologies for absence.

None received.

4. Declarations of interest.

Cllr Sharp declared a disclosable pecuniary interest in item 9 (a). The Schedule of Payments includes her invoice for annual domain registration and website hosting in respect of the Council's website.

5. Approval and signature of minutes of the Ordinary meeting of 21st January 2020.

The minutes were approved without amendment and signed by the Chair.

6. Matters arising from the minutes not included on this agenda:

a) Inconsiderate parking update

Cllr Stevenson reported that parking issues still exist in the Square. It was noted that some residents in the bungalows have a number of vehicles which are causing access issues to other homes by blocking driveways.

Action: Cllr Pope to write to John Conway, KBC Head of Housing.

b) Playground update

Cllr Stevenson reported that the new playground equipment had now been installed and the padlock removed from the gate to allow access. However, the slide remains taped up and some swings are not yet useable. A further item of equipment is not as agreed with the KBC Project Co-Ordinator.

Action: Cllr Stevenson to follow this up with KBC.

Cllr Pope thanked Cllr Stevenson for all his work over the past year to deliver the playground project, which will benefit many young people in the village.

c) Defibrillator update

It was agreed that, due to difficulties delivering this project in the current climate caused by COVID-19, the installation of the defibrillator would be postponed. It was noted that the council holds a grant for £500 in respect of this project.

7. Open Forum (public participation session).

No members of the public attended.

8. To receive and approve the Annual Governance and Accountability Return (AGAR)

a) Review of the Internal Audit Report dated 19/08/20

The report from the Internal Auditor had been circulated prior to the meeting. The issues raised in the report were reviewed and discussed in detail.

It was resolved that Cllr Sharp will introduce measures to ensure:

- i)** Risk assessments are conducted and submitted to the Council for consideration, at least annually, and prior to renewal of the council's insurance policy.
- ii)** Minutes of meetings report accurately the resolutions made. The minutes of the meeting on 20th January do not indicate that the budget was properly approved.
- iii)** Reports, including financial statements, circulated to council members are included with the minutes of meetings and uploaded to the Council's website.
- iv)** Cllr Sharp will review the current financial information, reporting and control systems and propose changes at the next meeting.

b) Approval of Annual Governance Statement (Section 1)

The Annual Governance Statement was considered. Cllr Sharp reported that the Internal Auditor was of the opinion that not all internal controls were adequate, as detailed in the Internal Audit Report. It was agreed that the responses to Items 2, 5 and 7 would be 'No'. It was noted that the measures agreed to address concerns highlighted by the Internal Auditor would ensure that overall governance is improved.

It was resolved that the Annual Governance Statement be approved and it was signed by Cllr Pope and Cllr Sharp (as Clerk and Responsible Finance Officer).

c) Approval of Accounting Statements (Section 2)

It was resolved to approve the statement of accounts and the Accounting Statements were signed by Cllr Pope and Cllr Sharp (as RFO).

d) Approval of Certificate of Exemption

It was agreed that the Certificate of Exemption be approved. The certificate was signed by Cllr Sharp (as RFO) and Cllr Pope. It was noted that the commencement date for the excise of public rights will be Tuesday, 1st September 2020.

Action: Clerk to send the Certificate of Exemption to the External Auditor.
Clerk to display the Notice of Public Rights on the village noticeboard.
Clerk to publish all documents relating to the Annual Return on the council website.
Clerk to review financial controls and propose changes at the next meeting.

9. Finance

a) To receive and approve the Schedule of Payments, including urgent payments made prior to this meeting.

Cllr Sharp left the meeting whilst the invoice for website hosting was considered. It was resolved to settle all invoices as detailed on the Schedule (copy attached).

b) To consider a report from Cllr Sharp on the Council's current banking arrangements and agree action to amend the bank mandate.

Cllr Pope reported that she had contacted the mandate team at Barclays and forms were being sent to amend the mandate. It was agreed that the mandate be amended, with Cllr Sharp added to the mandate to replace the late Cllr Walton.

The report submitted by Cllr Sharp was considered (copy attached). It was agreed that the recommendations at paragraph 9 be adopted:

- Continue to bank with Barclays but review when the Covid-19 situation improves.
- Change to Simple Service Authority (no dual authorisation of payments).
- Apply for an internet banking facility.
- Adopt the proposed Internet Banking Procedure (copy attached).
- Appoint an Internal Control Officer and provide access to view bank accounts online.
- Amend Standing Orders and Financial Regulations to incorporate the proposed changes.

It was agreed that a full review of the Standing Orders and Financial Regulations should be included on the Agenda of the next meeting.

It was agreed that Cllr Stevenson will undertake the role of Internal Control Officer and be added to the bank mandate, with online access to view and verify the bank accounts.

Action: Clerk to complete the mandate documents when received from Barclays.
Clerk to add Cllr Stevenson to the bank mandate.
Clerk to incorporate amendments into the Standing Orders and Financial Regs and include a full review of both policies on the Agenda of the next meeting.
Clerk to upload Internet Banking Procedure to the website.

c) To consider the proposal to apply for an internet banking facility, following completion of the bank mandate changes.

Cllr Pope reported that, following her recent contact with the Mandate team at Barclays, the mandate forms that are expected to arrive shortly will include the option to access the bank accounts online, and it would not be necessary to make a further application.

10. Co-option of 2 new Members to the Parish Council.

Cllr Pope offered condolences to the family of Robert Walton, who served on the Parish Council for many years until his untimely death earlier this year. Thanks were also extended to his daughter, Anne-Marie, for her work as Clerk for the past four years.

On behalf of the council, Cllr Pope also thanked Zandra Powell for her many years of service following her recent retirement from the Parish Council.

It was proposed and agreed that Jo Rawson and Crispin Holborow be co-opted as Members of the Council. The Declaration of Acceptance of Office and Code of Conduct to be signed and witnessed at the next meeting of the council.

Action: Cllr Sharp to send the new Members the Register of Interests declaration form and forward these to Kettering Borough Council upon receipt.

11. Date of next meeting.

The dates of the next two meetings were agreed:

Tuesday, 6th October at 7pm
Tuesday, 1st December at 7pm

12. Close

The meeting closed at 8.35pm.

Signed:

Date:

THORPE MALSOR PARISH COUNCIL

SCHEDULE OF PAYMENTS

Accounts passed for payment 25th August 2020

* Denotes authorised and paid in advance of meeting.

| Payee | Details | Amount | Power |
|--------------------|-------------------------------|------------------|--|
| Fisher German* | Bus Shelter | £15.00 | LG MP Act 1953, Sec 4 |
| BHIB Ltd* | Insurance | £281.48 | LGA 1972, s111 |
| Mrs Walton-Miller* | Salary May 19 – Oct 19 | £250.00 | LG MP Act 1953, Sec 112 |
| Lloyd & Walton* | Hedge/grass cutting | £230.40 | Highways Act 1980 Sec 4 Open Spaces Act 1906, s14 |
| CPRE* | Subscription | £36.00 | LGA 1972, s111 |
| NCALC | Annual Membership | £115.78 | LGA 1972, s143 |
| | Internal Audit | £102.00 | AC Act 1998 s7 (3) |
| | Data Protection Officer Fee | £10.00 | GDPR |
| | Invoice Total | £227.78 | |
| Helen Sharp | Domain Reg /Website Hosting | £104.39 | LG Transparency Code 2015 |
| Helen Sharp | Office Expenses - Printer Ink | £13.00 | LG FP Act 1963 s5 |
| Total | | £1,158.05 | |

FINANCIAL STATEMENT

| Bank Balances at 7 th May 2020 (date of last bank statement) | | Expected Balance after payment of invoices |
|--|------------------|--|
| Business Premium Account | £631.43 | £631.43 |
| Business Current Account | £6,281.65 | £5,123.60 |
| Total | £6,913.08 | £5,755.03 |

RECEIPTS (included in above Financial Statement)

| Date | Details | Amount |
|----------|---------|-----------|
| 16/04/20 | Precept | £2,000.00 |

Thorpe Malsor Parish Council

Report to Council: Adoption of Internet Banking

Date: 21st August 2020

Author: Cllr Sharp

1. Current Banking Situation

The Council currently banks with Barclays through 2 accounts:

- a) Community Account for the day to day payment of invoices and receipt of income.
- b) Business Premium Account with low interest rate, £1.15 interest received in last financial year.

Payment of invoices is by cheque only, and requires two authorised signatories. Statements are received quarterly by post. There is no online access. The accounts do not incur any bank charges.

The current bank mandate signatories are Cllr Pope and former Cllr Walton. Due to the death of Cllr Walton the bank mandate must be amended.

It is proposed that, in addition to amending the mandate, the Council considers apply for an internet banking facility to enable payments by BACS. This would be more convenient for suppliers and affords easier/faster access to account balance information, facilitating regular monitoring and timely financial reporting to the council.

2. Legislation

Since 2014 it has been possible for parish councils to utilise online banking facilities to enable payments by BACS. Prior to 2014, Section 150(5) of the Local Government Act 1972 required:

'every cheque or other order for the payment of money shall be signed by two members of the council'

In 2014 the government repealed this legislation stating:

'This rule is a significant barrier to these councils using electronic means of payment, and the effect is to impose additional burdens and costs both on them and on the private firms and other public sector bodies they make payments to.'

The Legislative Reform (Payments by Parish Councils, Community Councils and Charter Trustees) Order 2014 came into effect on 12th March 2014. This Order repealed the statutory requirement for 2 elected members to sign cheques and other orders for payment.

3. NALC Guidance

Following the above mentioned Legislative Reform, the National Association of Local Councils (NALC) issued guidance in relation to dual authorisation, as follows:

"Councils must not relinquish the 'two-member signatures' control over cheques and other orders for payment until they have put in place safe and efficient arrangements in accordance with the guidance noted below from the NALC Finance and Audit Advisor:

'The overriding requirement resulting from the abolition of S 150 (5) is that each and every local

council seeking to depart from the two-signature rule must “implement and maintain robust controls on expenditure as an integrated part of their overall financial control system”.

It is not a requirement that two people authorise electronic payments, however, it is a general principle that more than one person should be involved in any payment, whether that is before, at or after the point at which the payment is made. Councils must consider the appropriate systems, procedures and controls available by banking providers.”

4. Possible Options

The preferred method of implementing robust controls of electronic payments would be via a system of dual authorisation for each payment, with one of a number of nominated individuals setting up the payment, and a second providing online authorisation prior to processing.

From online research (that was not exhaustive) many of the larger high street banks do not offer a community account with this dual, online authorisation facility.

In addition, due to Covid-19, some banks are not currently accepting applications for new business accounts whilst others are advising new applicants of extended delays. Also, attempts to contact banks for information by telephone currently results in long waits, making enquiries difficult.

a) Barclays

Despite being an existing business customer, contacting Barclays by 'phone resulted in waits of up to 45 minutes this week.

Barclays do not offer online dual authorisation of BACS payments on a Community account. The information given indicated that the account could be changed to a Simple Service Authority, with either of two named individuals being authorised to sign cheques and raise electronic payments, with a third given view only access.

b) Lloyds Bank

According to their website, Lloyds offer a Treasurers Account that affords the security of online dual authorisation of payments, and is free of charges for an organisation such as our parish council. However the bank has temporarily stopped accepting new business account applications as a result of the present situation with Covid-19 , preferring to prioritise their service to existing businesses.

C) Unity Trust Bank

An online bank only, offering dual or triple authorisation. They do not issue cheque books and current banking charges are £6 per month. It was noted that a number of parish councils have moved to this bank.

5. Proposed Interim Solution

There may be other banks that offer online, dual authorisation but given the need to amend the mandate immediately, and the current difficulties associated with the pandemic, the best option may be to implement an interim solution with Barclays.

This would require us to amend the account to a Simple Service Authority where either of two named individuals are permitted to sign cheques and carry out online payment transactions.

7. Risk

The legislative changes outlined above now allow single authorisation, but there is an added element of risk without dual authorisation, as highlighted by the advice of NALC.

To reduce this risk it is proposed that, should the council agree to internet banking, it also adopts an Internet Banking Procedure, a draft of which is attached for consideration.

It is also proposed that the authorised signatories are both Councillors and that a third Councillor is appointed as an Internal Controls Officer and given access to view the bank accounts online. The role of this officer being to monitor the payments and confirm accuracy of each bank reconciliation presented at council meetings.

8. Amendment of Standing Orders & Financial Regulations

If the new Banking Procedure is adopted it may be necessary to amend the following paragraphs as indicated in brackets:

Standing Orders:

24. EXPENDITURE - Orders for the payment of money shall be authorised by resolution of the Council [~~and signed by two members,~~] as set out in the [~~financial standing orders~~] [Financial Regulations].

The Council's current Financial Regulations include:

6.9. If thought appropriate by the council, payment for certain items may be made by BACS or CHAPS methods [~~provided that the instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories, are retained~~] [~~provided that the Internet Banking Procedure is followed~~] and any payments are reported to council as made. The approval of the use of BACS or CHAPS shall be renewed by resolution of the council at least every two years.

[6.10. If thought appropriate by the council payment for certain items may be made by internet banking transfer provided evidence is retained showing which members approved the payment.]

(Note: Both the above policies require a full review, which will be carried out at the next meeting of the Council)

9. Summary of Recommendations:

- a) Continue to bank with Barclays but review when the Covid-19 situation improves.
- b) Change to Simple Service Authority (no dual authorisation of payments).
- c) Apply for internet banking facility.
- d) Adopt the proposed Internet Banking Procedure.
- e) Appoint an Internal Control Officer and provide access to view bank accounts online.
- f) Amend Standing Orders and Financial Regulations (incorporate changes and publish after full review).

Members are asked to consider the adoption of internet banking and determine the arrangements required for the making of online payments by the Council.

Proposed Internet Banking Procedure (Interim)

Date: 21st August 2020

Author: Cllr Sharp

Background

The Legislative Reform (Payments by Parish Councils, Community Councils and Charter Trustees) Order 2014 came into effect on 12th March 2014. This Legislative Reform Order repeals the statutory requirement for 2 elected members to sign cheques and other orders for payment.

The removal of this particular legal requirement enables the Parish Council to take an overall approach to how it controls its money as well as taking advantage of modern technology including internet banking.

The Parish Council acknowledges the need to maintain robust controls on payments as an integrated part of its overall financial control system and is adopting the following Internet Banking Procedure as part of its Financial Regulations.

The following procedure will apply to all online payments approved by the Council and will be reviewed on a regular basis to ensure its effectiveness.

Procedure

1. All orders for payment will be verified for accuracy by the Parish Clerk.
2. A schedule of payments will be prepared by the Parish Clerk and presented to each meeting of the Council for approval, together with any supporting invoices or other documentation.
3. Wherever possible, payments will be made using online banking. The process of operating the online account will be the subject to the rules and security authorisation process of the bank.
4. Online payments will be raised by one of the two authorised signatories and the payments, once made, will be confirmed to the second authorised signatory and the Internal Controls Officer, for verification.
5. Where a payment is to be made by cheque, the cheque will be signed by either of the authorised Councillors who shall also initial the counterfoil.
6. Where settlement of an invoice is required urgently between meetings, the Parish Clerk will email copies of the invoice(s) requiring payment to the Chair for authorisation.
7. Where an invoice or other payment, that has been duly approved, is to be made to one of the two authorised signatories, that payment must be actioned by the second signatory.
8. The Internal Controls Officer will verify that payments have been made according to the Schedule of Payments approved by the Council and confirm this at the next meeting of the Council.
9. The Internal Controls Officer will check the quarterly bank reconciliation for accuracy and confirm this at the next meeting of the Council.

Date of next review: December 2020