Marchwood Parish Council
Marchwood Village Hall, Village Centre, Marchwood SO40 4SF
Tel: 02380 860273 Office@marchwoodparish.gov.uk

Dear Councillor, you are hereby summoned to attend a meeting of the **Policy and Resources Committee of Marchwood Parish Council** on Monday 19 February 2024 at 7.30pm to be held in **The Pine Room, Marchwood Village Hall.**

Tina Dudley Clerk to the Parish Council 13 February 2024

1. **Apologies for absence**
   To receive and consider for acceptance any Member apologies for absence and approve by resolution.

2. **Declarations of Interest**
   Members and officers are invited to make any declarations of interest that they may have in relation to an item on the agenda and are reminded to make any declarations at any stage during the meeting if it becomes apparent that it may be required.

3. **Public Participation**
   For the public and press to ask questions on matters relating to items on the agenda.

4. **Minutes**
   To approve the minutes of the previous meeting of the Policy and Resources Committee held on 20 November 2023 as a correct record and duly signed by the Chairman (appendix A).

5. **Financial reports**
   a) Income and Expenditure to 31 January 2024 (Appendix B).
   b) Orders for Payment Dec 2023-Jan 2024 (Appendix C).
   c) Cash and Investment reconciliation to 31 January 2024 (Appendix D).

6. **Internal Audit report**
   To note the Internal Audit report and follow up actions (Appendix E).

7. **Reserves policy 2024/2025**
   To approve the Council's Reserves Policy 2024/2025 (Appendix F).

8. **Asset register 2024/2025**
   To recommend Council approve the Asset Register 2023/2024 (Appendix G).

9. **Risk Assessment of Financial systems' and Internal Controls**
   To recommend Council approve the Risk Assessment of Financial systems' Internal Controls March 2024/2025 (Appendix H).

10. **Close of meeting and date of next meeting 22 April 2024.**

Members of the Press and Public are welcome to attend any meeting of the Parish Council. These rights are enshrined in the Public Bodies (Admission to Meetings) Act 1960 and the Openness of Local Government Bodies Regulations 2014.

All in attendance should be aware that filming, photographing, recording, broadcasting or transmitting the proceedings of the Council may occur during the meeting.

Marchwood Parish Council

Minutes of the meeting of the Policy & Resources Committee in the Pine Room at Marchwood Village Hall on Monday 20 November 2023 at 7.30pm.

Present: Councillors: N Buckett, J Case, J Leath, P Mballa, M Proctor, M Saxby and L Shelley.

In attendance: T Dudley - Clerk to the Parish Council, A Woodward – Responsible Finance Officer.

Election of Chairman for this meeting: In the absence of the Chairman the Clerk asked for nominations for Chairman for this meeting.

PR/23/017 – Cllr Shelley proposed Cllr Case to be Chairman for this meeting seconded by Cllr Buckett and agreed by all.

Resolved – Cllr Case be Chairman of the meeting.

Apologies

PR/23/018 – Apologies for absence were received from D Hindle (previous engagement) Cllr Saxby (personal reasons).

Resolved – to accept apologies for absence from Cllr D Hindle and Cllr Saxby.

Declarations of Interest

PR/23/019 – There were no declarations pecuniary interest for this meeting.

Public Participation

PR/23/020– No members of the public attended this meeting.

Minutes

PR/23/021 - RESOLVED: to accept the minutes of the Council meeting held on Monday 25 September 2023 as a true and accurate record and duly signed by the Chairman.

Financial reports

PR/23/022 –

a) **Income and Expenditure up to 31 October 2023**
Resolved - to approve the income and expenditure up to 30/10/2023.

b) **Orders for payment Sept – Nov 2023**
Resolved – to approve the Orders for payment Sept – Nov 2023.

c) **Cash and Investment reconciliation to 31 October 2023**
Resolved – to approve the bank reconciliation to 31 October 2023.

d) **Earmarked reserves**
Resolved –
   i. to approve the revised earmarked reserves categories.

ii. to approve the quotation for new guttering to the Pavilion at Lloyd Recreation Ground to be funded from EMR 333.
iii. EMR 340 Community Infrastructure receipts were to be allocated to the future resurfacing of the Tennis Courts at the Lloyd Recreation Ground.

e) **Draft budget April 2024 - March 2025**

The Chairman explained that the draft budget had previously been scrutinised by Members.
It was proposed that the Handy Trust receive an increase of 2%, the excellent work carried out by the Trust in connection with the youth of Marchwood was highlighted, they were a charity that was dependent on sums received from organisations like the Council. The Chairman also highlighted a project they were currently working on; Christmas gift collection points aimed at providing a Christmas gift for local young people within Marchwood and the Waterside who may otherwise not receive one in the current economic climate.

The Clerk explained that due to a number of unforeseen expenses this financial year a small contingency budget had been allocated for any expenditure that had not be planned for.

Recommendation – Council be recommended to approve the budget as set out including the above two amendments.

Pay Award 2023 - 2024

PR/23/023 – Resolved – to approve the Local Government pay agreement 2023 – 2024.

Cyber Security

PR/23/023 – Resolved – to agree in principle subject to the schedule being approved by full Council.

PR/23/024 – Resolved: in accordance with the Public Bodies (Admission to Meetings) Act 1960 to exclude the public and press for discussion of the following personnel or confidential matters where publicity might be prejudicial to the special nature of the business.

Resolved – To defer this item whilst further information is obtained from the pension provider.

The meeting closed at 8.32pm. Date of next meeting 19 February 2023.

Detailed Income & Expenditure by Budget Heading 31/01/2024

Month No: 10 **Cost Centre Report**

		Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
101	Administration							
1000	Precept	287,057	287,057	0			100.0%	
1020	CIL Receipts	873	0	(873)			0.0%	
1030	Village News Income	1,067	2,370	1,303			45.0%	
1040	Miscellaneous Admin Income	52	0	(52)			0.0%	
1045	Bank Interest Received	863	0	(863)			0.0%	
1050	LA Property Fund Dividends	1,626	1,850	224			87.9%	
1055	Public Sector Deposit Fund	1,893	350	(1,543)			541.0%	
1060	United Trust Bank	1,188	1,838	650			64.6%	
	Administration :- Income	**294,619**	**293,465**	**(1,154)**			**100.4%**	**0**
4000	Salaries Net Pay	100,417	130,420	30,003		30,003	77.0%	
4001	PAYE & ER's & EE's NIC	27,534	34,957	7,423		7,423	78.8%	
4002	LGPS ER's & EE's Pension	30,568	33,797	3,229		3,229	90.4%	
4010	Training - Officers	570	500	(70)		(70)	114.0%	
4011	Training - Ground Staff	0	500	500		500	0.0%	
4012	Training - Councillors	950	955	5		5	99.5%	
4015	Employees Expenses	53	100	47		47	52.9%	
4020	Insurance (All Risks)	8,394	7,600	(794)		(794)	110.4%	
4025	Legal Fees	2,220	1,500	(720)		(720)	148.0%	
4030	Audit Costs	0	1,500	1,500		1,500	0.0%	
4040	Rialtas Costs	675	1,000	325		325	67.5%	
4042	Citation	2,427	2,877	450		450	84.3%	
4045	Handy Trust SLA	12,760	15,463	2,703		2,703	82.5%	
4055	Grants Given	550	1,000	450		450	55.0%	
4065	Chairman's Allowance	100	200	100		100	50.0%	
4070	Councillors Expenses	0	400	400		400	0.0%	
4080	Office Rent	7,043	9,387	2,345		2,345	75.0%	
4090	Pine Room and Other Rentals	577	730	153		153	79.1%	
4100	Electricity	3,925	5,500	1,575		1,575	71.4%	
4105	Gas	1,203	1,200	(3)		(3)	100.3%	
4110	Water	1,001	550	(451)		(451)	182.0%	
4115	Telephone and Broadband	1,572	1,400	(172)		(172)	112.3%	
4120	Postage	12	50	38		38	24.0%	
4125	Stationery	252	250	(2)		(2)	100.6%	
4130	Photocopier Costs	84	500	416		416	16.9%	
4135	IT Costs	11,977	11,349	(628)		(628)	105.5%	
4140	Service Costs	1,175	1,300	125		125	90.3%	
4150	Village News Expenditure	3,461	4,400	939		939	78.7%	
4155	Subs/Publications/Licences	1,787	1,400	(387)		(387)	127.7%	
4157	General Sundries	72	100	28		28	71.7%	

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		Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
4160	Vehicle Insurance	2,534	2,355	(179)		(179)	107.6%	
4165	Vehicle Maintenance	2,442	1,000	(1,442)		(1,442)	244.2%	
4170	Vehicle Excise Duty	320	530	210		210	60.4%	
4175	Fuel	3,825	4,000	175		175	95.6%	
4185	Tools and Tool Hire	295	500	205		205	59.0%	
4190	Motor Vehicle Replacements	0	3,350	3,350		3,350	0.0%	
4260	Elections	75	0	(75)		(75)	0.0%	
4270	Bridge at Oaklands	0	1,000	1,000		1,000	0.0%	
4276	Land Incursions	2,261	500	(1,761)		(1,761)	452.1%	
	Administration :- Indirect Expenditure	**233,111**	**284,120**	**51,009**	**0**	**51,009**	**82.0%**	**0**
	Net Income over Expenditure	**61,508**	**9,345**	**(52,163)**				
103	Council Property Expenditure							
4170	Vehicle Excise Duty	508	0	(508)		(508)	0.0%	
	Council Property Expenditure :- Indirect Expenditure	**508**	**0**	**(508)**	**0**	**(508)**		**0**
	Net Expenditure	**(508)**	**0**	**508**				
201	Amenities							
1035	Community Event Income	1,100	0	(1,100)			0.0%	
	Amenities :- Income	**1,100**	**0**	**(1,100)**				**0**
4195	PPE & General Supplies	573	600	27		27	95.6%	
4200	Tree Management & Flowers	19,769	10,000	(9,769)		(9,769)	197.7%	
4205	Supply of Public Seating	0	250	250		250	0.0%	
4210	Supply of Litter Bins	0	250	250		250	0.0%	
4215	Supply & Emptying of Dog Bins	557	750	193		193	74.2%	
4220	Under 12 Play Area	0	2,200	2,200		2,200	0.0%	
4225	Outdoor Fitness Equipment	0	1,000	1,000		1,000	0.0%	
4230	Cork Field Infrastructure	250	250	0		0	100.0%	
4235	Admiralty Quay Play Area	0	1,000	1,000		1,000	0.0%	
4237	Open Space Maintenance	1,135	1,000	(135)		(135)	113.5%	
4240	LRG Play Area	0	1,500	1,500		1,500	0.0%	
4245	LRG 3G Maintenance	5	800	795		795	0.6%	
4250	LRG MUGA Maintenance	60	0	(60)		(60)	0.0%	
4255	LRG Football Pitch Maintenance	86	500	414		414	17.3%	
4257	LRG Pavilion/Workshop Mainten.	3,215	1,500	(1,715)		(1,715)	214.3%	
4258	LRG Licenses	258	0	(258)		(258)	0.0%	
4275	Community Events	2,541	0	(2,541)		(2,541)	0.0%	2,541
	Amenities :- Indirect Expenditure	**28,449**	**21,600**	**(6,849)**	**0**	**(6,849)**	**131.7%**	**2,541**
	Net Income over Expenditure	**(27,349)**	**(21,600)**	**5,749**				
6000	plus Transfer from EMR	2,541						
	Movement to/(from) Gen Reserve	**(24,808)**						

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Detailed Income & Expenditure by Budget Heading 31/01/2024

Month No: 10 | **Cost Centre Report**

		Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
301	Lloyd Recreation Ground							
1500	Scout HQ Lease Rental	500	500	0			100.0%	
1505	Youth Club Lease Rental	0	500	500			0.0%	
1510	3G Court Hire	2,704	3,000	296			90.1%	
1515	Football Pitch Hire	2,163	7,000	4,837			30.9%	
1520	MUGA Hire	354	300	(54)			118.0%	
1525	Miscellaneous Hirings	138	0	(138)			0.0%	
1550	Pavillion Room Hire	1,882	0	(1,882)			0.0%	
	Lloyd Recreation Ground :- Income	**7,741**	**11,300**	**3,559**			**68.5%**	**0**
	Net Income	**7,741**	**11,300**	**3,559**				
	Grand Totals:- Income	**303,460**	**304,765**	**1,305**			**99.6%**	
	Expenditure	**262,067**	**305,720**	**43,653**	**0**	**43,653**	**85.7%**	
	Net Income over Expenditure	**41,393**	**(955)**	**(42,348)**				
	plus Transfer from EMR	**2,540**						
	Movement to/(from) Gen Reserve	**43,933**						

Marchwood Parish Council 2023-2024

Lloyds Treasurers Acct 458

List of Payments made between 01/12/2023 and 31/01/2024

Date Paid	Payee Name	Reference	Amount Paid	Authorized Ref	Transaction Detail
05/12/2023	BT - British Telecom	649	52.06		649 Cloud Voice Nov 2023
07/12/2023	SSE Southern Electric	644	176.90		644 LRG Gas October 2023
07/12/2023	Citation	D/D	305.15	AW	Citation December 2023
08/12/2023	Terrain Tyres	D/CARD	153.50	AW	2x Machine Tyres
11/12/2023	Hythe Tyres	D/CARD	30.00	AW	Fit 2x Machine Tyres
12/12/2023	FuelGenie Business Account	630	30.98		630 Fuel October 2023
12/12/2023	Surrey Hills Solicitors	653	264.00		653 LRG Barrier Legal Advice
15/12/2023	Gristwood & Toms Ltd	648	2,758.40		648 Trees November 2023
15/12/2023	Marchwood Community Associatio	643	78.75		643 Room Hire Nov 2023
15/12/2023	Holbury Tool Hire Ltd	646	28.62		646 Hi Vis Bomber Jacket
15/12/2023	Cloudy IT	647	228.00		647 December 2023
15/12/2023	The Handy Trust	652	1,276.00		652 SLA Nov 23
15/12/2023	LGPS	ELEC PAY	3,155.60	AW	Pensions November 2023
15/12/2023	HMRC	ELEC PAY	2,645.52	AW	PAYE November 2023
15/12/2023	Angela Woodward	ELEC PAY	12.75	AW	Eye Test & Glasses
15/12/2023	Angela Woodward	ELEC PAY	42.25	AW	Eye Test & Glasses
18/12/2023	DVLA	D/CARD	320.00	AW	HY71 ELU Tax to 31/12/2024
19/12/2023	SSE Southern Electric	657	-187.87		Purchase Ledger DDR Payment
22/12/2023	Salaries	ELEC PAY	13,852.44	AW	Salaries December 2023
27/12/2023	SSE Southern Electric	655	1,107.58		655 LRG 16/08/2023-30/11/2023
27/12/2023	SSE Southern Electric	656	150.60		656 Tennis 18/08/23-04/12/23
28/12/2023	BT - British Telecom	658	119.16		658 Phone/broadband Dec 23
03/01/2024	BT - British Telecom	663	52.06		663 Cloud Voice Dec 2023
05/01/2024	Flo Gas	D/CARD	47.50	AW	Propane Refill 3.9kg
05/01/2024	Flo Gas	D/CARD	24.99	AW	Propane Refill 3.9kg
08/01/2024	Citation	DD	305.15	AW	January 2024
12/01/2024	Cloudy IT	659	228.00		659 January 2024
12/01/2024	Marchwood Community Associatio	660	52.50		660 Room Hire Dec 2023
12/01/2024	Holbury Tool Hire Ltd	661	74.99		661 Work Boots
12/01/2024	The Handy Trust	662	1,276.00		662 SLA December 2023
15/01/2024	LGPS	ELEC PAY	5,158.79	AW	Pensions December 2023
15/01/2024	HMRC	ELEC PAY	5,824.82	AW	PAYE December 2023
16/01/2024	Colette Cockeram	D/CARD	3.69	AW	100th Birthday Card
17/01/2024	Sainsburys	D/CARD	12.20	AW	Refreshements
19/01/2024	SSE Southern Electric	657	187.87		657 LRG Gas 31/10/23-29/11/23
19/01/2024	FuelGenie Business Account	650	15.29		650 Fuel Nov 2023
19/01/2024	SSE Southern Electric	657	187.87		Purchase Ledger DDR Payment
19/01/2024	FuelGenie Business Account	650	-15.29		P/Ledger Electronic Payment
19/01/2024	FuelGenie Business Account	650	15.29		P/Ledger Electronic Payment
19/01/2024	FuelGenie Business Account	650 amend	15.29		P/Ledger Electronic Payment
24/01/2024	Salaries	ELEC PAY	9,800.96	AW	Salaries January 2024
25/01/2024	Welcome Shop	D/CARD	3.20	AW	Cleaning Products
29/01/2024	BT - British Telecom	672	119.16		672 Phone/Broadband Jan 24
30/01/2024	HMRC	ELEC PAY	57.42	AW	PAYE Resubmission

Total Payments 50,048.14

Marchwood Parish Council 2023-2024

Bank - Cash and Investment Reconciliation as at 31 January 2024

Confirmed Bank & Investment Balances

Bank Statement Balances

31/01/2024	Business 30 Day Notice Acc 031	70,000.00	
31/01/2024	Instant Access account 458	29,100.44	
31/12/2023	United Trust Bank 163	92,249.16	
31/12/2023	CCLA Deposit Fund 235	54,020.72	
			245,370.32

All Cash & Bank Accounts

1	Lloyds Treasurers Account 458	99,100.44
4	United Trust bank 20121163	92,249.16
5	CCLA Deposit Fund 0011235	54,020.72
	Other Cash & Bank Balances	0.00
	Total Cash & Bank Balances	**245,370.32**

19th January 2024

Tina Dudley, Clerk
Marchwood Parish Council
Marchwood
Hampshire, SO40 4SX

Dear Tina,
Subject: Review of matters arising from interim Internal Audit for 31 March 2024

Following my visit to the office today, please find below the list of matters arising. I found the records and systems of the council to be in good order.

The internal audit was carried out in accordance with the requirements of the Audit and Accounts Regulations 2015 and the guidance and instruction in the Practitioners Guide 2023

Test	**Matter arising**	**Recommended Action**
A	*Appropriate accounting records have been properly kept throughout the financial year*	
	The records of the council comply	with this test
B	*This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT appropriately accounted for*	
Minute supporting papers	The agenda packs and supporting papers of council meetings do not appear to be kept a hard copy. (*also raised last year*)	The paper minute book is the sole historic record for reference in future decades. It should contain all papers.
Code of Conduct	It is not clear from where the Code of Conduct adopted by the council derives. *(also raised last year)*	The council should adopt the best practice LGA code once the new members are in place.
Audit report	The council noted but did not agree any actions arising from the 2023 report.	Each Audit report – including this one – should be turned into a clear action plan to address the matters raised.
C	*This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these*	
	The records of the council comply	with this test
D	*The budget resulted from an adequate budgetary process, progress against the budget was regularly monitored, the reserves were appropriate*	
Election reserve	The council holds an earmarked reserve of £6000 for election costs despite being charged £75 for its last election and carrying vacancies.	It may be worth rolling this reserve back into the general fund.
Reserves policy	The reserves policy of the council is not in accordance with current guidance.	All policies shoud be reviewed and updated regularly.
E	*Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for*	
	The records of the council comply	with this test
F	*Petty cash payments were properly supported by receipts, all petty cash was*	

	approved and VAT appropriately accounted for	
	No longer applicable to this council	
G	*Salaries to employees and allowances to members we paid in accordance wit this authority's approvals, and PAYE and NI requirements were properly applied*	
	The records of the council comply	with this test
H	*Asset and investment registers were complete and accurate and properly maintained*	
Asset replacement	When a new asset is purchased to replace the old, even with part exchange, the two asset movements need to be disaggregated.	Sold assets are removed to zero from the register, purchased assets are shown at their cost before part exchange income. The cashbook is allowed to show the net figure.
I	*Periodic Bank reconciliations were carried out during the year*	
	The records of the council comply	with this test
J	*Accounting statements prepared during the year were prepared on the correct accounting basis, agreed to the cash book, supported by an adequate audit trail and debtors and creditors recorded.*	
	The records of the council comply	with this test
K	*Certified Exempt in prior year*	
	Not applicable to this council	
L	*Transparency Code*	
Web page updates	The website is now under the control of officers and is being updated.	Both the transparency cods and model publication scheme should be used to ensure it is up to date.
M	*Public Rights*	
Members DPI forms	Two councillors have not filled out their home address on their DPI forms.	Only the monitoring officer has the power to redact addresses. They must be supplied to the council.
N	*Publication of prior year AGAR*	
	The records of the council comply	with this test
O	*Trust funds*	
	The records of the council comply	with this test
P	*Borrowing*	
	The records of the council comply	with this test

I will return to the office in April to complete the annual review.

If either you or your members have any queries, please do not hesitate to contact me.

Regards,

Eleanor S Greene

eleanorgreene@thedunnefamily.co.uk

Registered in England No. 7871759 Director: Eleanor S Greene

Internal Audit report actions arising.

Test	Matter arising	Actions
A		
B	Minute supporting papers: The agenda packs and supporting papers of council meetings do not appear to be kept a hard copy. (also raised last year). The paper minute book is the sole historic record for reference in future decades. It should contain all papers	The agenda and supporting papers are kept electronically. Paper copies will be filed with the minutes going forward.
	Code of Conduct It is not clear from where the Code of Conduct adopted by the council derives. (also raised last year) The council should adopt the best practice LGA code once the new members are in place. Audit reports 2023: The council noted but did not agree any actions arising from the 2023 report.	The adopted current code of conduct was taken from NALC and SLCC. The LGA Code of Conduct will be considered at the next Council meeting. Addressed with this report. Note: no action was required from the External Audit report.
D	Election reserve. The council holds an earmarked reserve of £6000 for election costs despite being charged £75 for its last election and carrying vacancies. It may be worth rolling this reserve back into the general fund. Reserves policy. The reserves policy of the council is not in accordance with current guidance. All policies should be reviewed and updated regularly.	To be reviewed 2024/2025 when the earmarked reserves are considered by P&R/Council. The reserves policy is to be considered on this agenda. Some policies are reviewed annually others are not required to be reviewed annually until legislation changes. P&R Committee considered a schedule of review to the policies in 2023.
H	When a new asset is purchased to replace the old, even with part exchange, the two asset movements need to be disaggregated.	Actioned by the RFO.

	Sold assets are removed to zero from the register, purchased assets are shown at their cost before part exchange income. The cashbook is allowed to show the net figure.	
L	The website is now under the control of officers and is being updated. Both the transparency code and model publication scheme should be used to ensure it is up to date.	The website is believed to be up to date.
M	Two councillors have not filled out their home address on their DPI forms. Only the monitoring officer has the power to redact addresses. They must be supplied to the council.	Section 6 requires completion of any land that a Councillor may have a beneficial interest within the Marchwood Parish Council area. One Councillor does not reside in the village of Marchwood therefore, one Councillor's DPI requires amendment as the other Councillor referred to does not have a beneficial interest referenced to in the DPI form. The Clerk will inform the Councillor who has omitted the home address on the DPI form.

Marchwood Parish Council Reserve Policy

1. INTRODUCTION

The Parish Council is required to maintain adequate financial reserves to meet the needs of the organisation. The purpose of this policy is to set out how the Council will determine and review the level of reserves.

Section 50 of the Local Government Finance Act 1992 requires local councils to the authority must calculate the aggregate of—

(a)the expenditure the authority estimates it will incur in the year in performing its functions and will charge to a revenue account for the year.

(b)such allowance as the authority estimates will be appropriate for contingencies in relation to expenditure to be charged to a revenue account for the year.

(c)the financial reserves which the authority estimates it will be appropriate to raise in the year for meeting its estimated future expenditure; and

(d)such financial reserves as are sufficient to meet so much of the amount estimated by the authority to be a revenue account deficit for any earlier financial year as has not already been provided for.

The Council's policy on the establishment, maintenance and adequacy of reserves and balances will be considered annually.

2. TYPES OF RESERVE

The Council will hold reserves for these three main purposes:

• A working balance – this forms part of the general reserves.

• A contingency fund– this also forms part of general reserves.

• A means of building up funds, sometimes called 'earmarked' to meet known or predicted requirements.

3. GENERAL RESERVES

3.1 The general reserves are a balance on the Council's revenue account which is not held for any specific purpose other than to cushion the council's finances against any unexpected short-term problems in the council's cash flow, or to allay the impact of unexpected events or emergencies.

3.2 The general reserves are to be maintained at a level based upon a risk assessment carried out annually by the RFO when setting the budget for the forthcoming year. Any surplus on the general reserves above the required balance may be used to fund capital expenditure, be appropriated to nominated reserves or used to limit any increase in the precept.

3.3 The current level with respect to general reserves is that: “The Parish Council should endeavour to maintain its revenue reserve balances at a level of 3-12 months of net expenditure. under the council’s current financial arrangements, a general reserve figure of £160,00 is desirable.

4. EARMARKED RESERVES

4.1 Nominated reserves represent:

ring-fenced balances of grant funds or third-party allocations reserved to specific purposes;

• amounts generally built up over a period of time which are nominated for specific items of expenditure to meet known or anticipated liabilities or projects and intended to reduce the impact of meeting the full expenditure in one year.

4.2 The Council, when establishing an earmarked reserve, will set out:

• The reason / purpose of the reserve.

• How and when the reserve can be used.

• Procedures for the management and control of the reserve.

• A process and timescale for review of the reserve to ensure continuing relevance and adequacy.

4.3 As part of the calculation of an earmarked reserve, consideration must be given as to when the projected expenditure will fall due. If the earmarked reserve is to be built up over a period of years, annual increases in the relevant reserve should be on a proportionate incremental rather than a fixed annual basis (i.e. the sum set aside increases by a set percentage each year), so that the financial liability falls progressively on those taxpayers more likely to benefit from the final implementation of the relevant asset or service.

5. GOVERNANCE ISSUES

5.1 The policy on Reserves will be reviewed annually and reported to the Policy and Resources Committee.

5.2 The Clerk/RFO will consider the likely needs of the general and nominated reserves for the forthcoming financial year as part of the process of setting the revenue budget, having regard to the predicted outturn of the current year income & expenditure. However, the reserves budget as such will be presented for the Council’s approval and at that point the Council will have the opportunity to review the levels of reserves held in accordance with the Council’s Financial Regulations and may make proposals for the creation of additional nominated reserves as part of the budgeting process.

Marchwood Parish Council Reserve Policy

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APPENDIX: NOMINATED RESERVES FOR 2023-2024

EMR Elections	**6,000.00**
EMR Community Infrastructure	**10,310.93**
EMR Community Events	**4,381.88**
EMR Tree Management	**2,837.51**
EMR LRG Infrastructure	**22,639.86**
EMR CIL Receipts	**1,904.00**
EMR Motor Vehicle Replacements	**1,375.43**
EMR Training	**955.00**
EMR Play Areas	**26,277.40**
TOTAL	**76,682.01**

Approved date: Minute reference

Category	Description of Equipment	Location	Model	Serial No	Date of Purchase	Price Paid	Ins Value 31/3/2023	Adj 2023/24		Price 31/3/2024
Buildings										
	Sports Pavillion	Lloyds			build cost	£ 309,651	£ 309,651			£ 309,651
	Oaklands Bridge	M/wood			2005	£ 10,000	£ 10,000			£ 10,000
	Container - Shakespear	Workshop				£ 5,000	£ 5,000			£ 5,000
	Workshop portakabin	Workshop			Feb-08	£ 73,399	£ 73,399			£ 73,399
						398,050	***£ 398,050***	***£ -***	***£ -***	***£ 398,050***
Playground Equipment										
Sp Surface	All weather courts	Lloyds			build cost	£ 73,000	£ 73,000			£ 73,000
Floodlights	All weather courts	Lloyds			Aug-13	£ 4,777	£ 4,777			£ 4,777
3G Surface	All weather courts	Lloyds			Jun-14	£ 34,957	£ 34,957			£ 34,957
Kick Boards	All weather courts	Lloyds			Nov-14	£ 3,325	£ 3,325			£ 3,325
Security Fencing	All weather courts	Lloyds			Nov-14	£ 2,214	£ 2,214			£ 2,214
Play Equip	Play equipment	Ad quay			build cost)	£ 30,091	£ 30,091			£ 30,091
Play Equip	Play equipment	Lloyds			Apr-05	£ 24,272	£ 24,272			£ 24,272
Play Equip	Trim trail	Lloyds	various		Jun-06	£ 5,000	£ 5,000			£ 5,000
Play Equip	U 12's New Play area				Sep-07	£ 69,994	£ 69,994			£ 69,994
Play Equip	Skate Pk- Equipment	Skate Park			Jun-10	£ 62,212	£ 62,212			£ 62,212
Height Barrier	Skate park- Barrier/Bar	Skate Park			Oct-18	£ 1,141	£ 1,141			£ 1,141
Play Equip	Over 12's Fitness Eq	Marchwood Centre			Dec-16	£ 16,894	£ 16,894			£ 16,894
						327,877	***£ 327,877***	***£ -***	***£ -***	***£ 327,877***
Sports Equipuipment										
Sp Equip	Aluminium wheelaway goal pack	Lloyds			Aug-19	£ 2,218	£ 2,218			£ 2,218
						2,218	***£ 2,218***	***£ -***	***£ -***	***£ 2,218***
Community Assets (fences etc)										
War Mem	War memorial	M/wood			various	£ 14,000	£ 14,000			£ 14,000
War Mem	2 Memorial Seats Sir Tristran &	M/wood		Ref 816	Jan-16	£ 1,590	£ 1,590			£ 1,590
	Sir Galahad					£ -	£ -			£ -
War Mem	2 Flagpoles	M/wood		Ref 815	Jan-16	£ 533	£ 533			£ 533
Land	Oaklands Park public o/s	M/wood				£ 1	£ 1			£ 1
Land	Village Centre public o/s	M/wood				£ 1	£ 1			£ 1
Land	Land of Village Hall	M/wood				£ 1	£ 1			£ 1
Land	Lloyds Rec ground	M/wood				£ 1	£ 1			£ 1
Orchard	Orchard Fencing	M/wood (back church)		Ref 756	Nov-15	£ 3,470	£ 3,470			£ 3,470
Orchard	39 Orchard Fruit trees	M/wood (back church)		Ref 778	Nov-15	£ 1,025	£ 1,025			£ 1,025
Orchard	Orchard Information Board	M/wood (back church)			Aug-16	£ 1,457	£ 1,457			£ 1,457
Fences	Fencing workshop	Lloyds			May-08	£ 2,407	£ 2,407			£ 2,407
Fences	Fences & Gates	m/wood			various	£ 11,582	£ 11,582			£ 11,582
Picnic Unit	2 Metal Picnic Units	Lloyds		Ref 653	Jul-15	£ 1,306	£ 1,306			£ 1,306
Picnic Unit	2 Plastic Picnic Units	Cork Field		Ref 653	Jul-15	£ 841	£ 841			£ 841
T.Tennis Table	Concrete Table Tennis Table	M/wood (back church)		Ref 645	Jun-15	£ 1,800	£ 1,800			£ 1,800
Chess tables	2 Chess Tables& Seats	M/wood (back church)		Ref 645	Jun-15	4,000	£ 4,000			£ 4,000
Category	**Description of Equipment**	**Location**	**Model**	**Serial No**	**Date of Purchase**	**Price Paid**	**Ins Value 31/3/2023**	**Adj 2023/24**		**Price 31/3/2024**
Community Assets (fences etc) cont										
Bollards	8 LEDifice Commercial Bollard Light	Lloyds	LED light	LDLED100GB	Jan-18	1,368	£ 1,368			£ 1,368
Traffic Barrier	4 Melba Swintex Gates(orange)	M/wood	Melba gate traffic barrier		Oct-17	160	£ 160			£ 160
Sculpture	Tree sculpture castle tower etc	M/wood			Dec-19	3,000	£ 3,000			£ 3,000
Telephone Box	K6 1935 Telephone Box	M/wood			Jul-13	1	£ 1			£ 1
						£ 48,544	***£ 48,544***	***£ -***	***£ -***	***£ 48,544***
Street Furniture										
St furniture	5 Notice boards	MW sites			various	£ 3,544	£ 3,544			£ 3,544
St furniture	15 public seats	M/wood			various	£ 6,032	£ 6,032			£ 6,032
St furniture	13 litter bins	M/wood			various	£ 3,498	£ 3,498			£ 3,498
St furniture	27 dog bins	M/wood			various	£ 4,751	£ 4,751			£ 4,751
St furniture	QEII memorial seat	M/wood			Oct-22	£ 2,070	£ 2,070			£ 2,070
St furniture	2 Rainbow seats	M/wood			Jul-10	£ 803	£ 803			£ 803
						£ 20,698	***£ 20,698***	***£ -***	***£ -***	***£ 20,698***
Mowers & Machinery										
O/S equip	Derv diesel tank				1994	450	£ 450			£ 450
Machinery	4 Wheeled Trailer	Workshop			Apr-05	2,100	£ 2,100			£ 2,100
						2,550	***£ 2,550***	***£ -***	***£ -***	***£ 2,550***

Chairmans										
Contents	Chairmans badge	Chairman			n/k	500	£ 500			£ 500
						500	***£ 500***	***£ -***	***£ -***	***£ 500***
Office Equipment										
Contents	Sentry safe	Office			1994	2,000	£ 2,000			£ 2,000
Contents	Display Boards x 2	Office			1991/2001	300	£ 300			£ 300
Contents	Desks/chairs/bookcases/shelves	Office			various	300	£ 300			£ 300
Contents	Office furniture-various	In store			Feb-06	330	£ 330			£ 330
Contents	HP PRODESK 400 G4 DM	office	400 MINI	8CC9352RJ5	Sep-19	610	£ 610			£ 610
Contents	HP PRODESK 400 G4 DM	office	400 MINI	8CC9352RDN	Sep-19	610	£ 610			£ 610
Contents	HP PRODESK 400 G4 DM	office	400 MINI	8CC9352OD4	Sep-19	610	£ 610			£ 610
						4,760	***£ 4,760***	***£ -***	***£ -***	***£ 4,760***
Pick Up Trucks/Vehicles										
	John Deere Tractor	Workshop	JD3038R	1LV3038RJGG600112	11/07/2017	22,000	£ 22,000			£ 22,000
	Wessex/Broadwood Sickle Bar H/Cutter	Workshop	CHT-120-E	50996	11/01/2023	7,250	£ 7,250			£ 7,250
	Kubota Mower F3890	Workshop	HX66LYA		Sep-16	11,551	£ 11,551			£ 11,551
Mowers	Kubota F3680 4WD diesel	Workshop	HF58 AVJ		06/10/2008	11,791	£ 11,791			£ 11,791
	Trimax FX135 Flails x 2	Workshop			29/09/2011	7,542	£ 7,542			£ 7,542
	Pick Up Truck	Workshop	D-MAX	HY21 GVV	31/01/2021	28,041	£ 28,041			£ 28,041
	Pick Up Truck	Workshop	D-MAX	HY71 ELU	12/01/2022	28,157	£ 28,157			£ 28,157
						116,332	**£ 116,332**	£ -	£ -	**£ 116,332**
Category	**Description of Equipment**	**Location**	**Model**	**Serial No**	**Date of Purchase**	**Price Paid**	**Ins Value 31/3/2023**	**Adj 2023/24**		**Price 31/3/2024**
LLOYDS Pavillion / Workshop Contents										
Contents	Secure Cupboard H&S COSH	Workshop			Oct-16	174	£ 174			£ 174
Contents	Compressor	Workshop	230V 55275		Apr-06	170	£ 170			£ 170
Contents	Orbital Sander	Workshop			Apr-06	75	£ 75			£ 75
Contents	Arc Welder	Workshop			Apr-06	84	£ 84			£ 84
Contents	Generator	Workshop			Apr-06	290	£ 290			£ 290
Contents	Set of ladders	Workshop			pre 1992	170	£ 170			£ 170
Contents	Bearcat Chipper	Workshop	73454/S		1997	650	£ 650			£ 650
Contents	Power washer and water tank	Workshop	2001 LWD		2000	750	£ 750			£ 750
Contents	Beko Washing M/C	Workshop	q		May-08	335	£ 335			£ 335
Contents	Self Propelled Lawnmower	Workshop	HUSQVARNA LC247S		Jun-17	233	£ 233			£ 233
Contents	Metabo 4 1/2" Grinder	Workshop	W9-115 900W		Mar-22	90	£ 90			£ 90
Contents	Battery Charger	Workshop	28Amp 12/24V 230V		Mar-22	135	£ 135			£ 135
Contents	Bosch GSB 18 V 60C	Workshop	18V-60C		Mar-22	360	£ 360			£ 360
Contents	Makita DMR110 DAB RADIO	Workshop	DMR110 240V		Mar-22	162	£ 162			£ 162
Contents	Bosch GBH 2-26F 240V	Workshop	2026F 240V		Mar-22	170	£ 170			£ 170
Contents	Large Socket Set	Workshop	R45603172		Mar-22	138	£ 138			£ 138
Contents	STHIL FS94C-E with Bike Handle	Workshop	FS94C-E	526359504	Mar-22	444	£ 444			£ 444
Contents	16" Chainsaw 3.0kw	Workshop	MS261	191467260	Mar-22	876	£ 876			£ 876
Contents	14" Chainsaw 1.5kw	Workshop	MS181	528322669	Mar-22	342	£ 342			£ 342
Contents	14" Chainsaw 1.5kw	Workshop	MS181	530142240	Mar-22	342	£ 342			£ 342
Contents	Ergostart Hedge Trimmer 24"	Workshop	HS82RC-E 24"	191 866626	Mar-22	660	£ 660			£ 660
Contents	Long Reach Hedge Trimmer	Workshop	HL94C-E Long Shaft	531155432	Mar-22	888	£ 888			£ 888
Contents	Long Reach Hedge Trimmer	Workshop	HL94C-E Long Shaft	531155383	Mar-22	888	£ 888			£ 888
Contents	Long Reach Hedge Trimmer	Workshop	HL92KC-E Long Reach	529933165	Mar-22	792	£ 792			£ 792
Contents	Long Reach Hedge Trimmer	Workshop	HL92KC-E Long Reach	529933165	Mar-22	792	£ 792			£ 792
Contents	STHIL KM94RC-E Kombi Engine	Workshop	KM94RC-E 0.9kw	530115856	Mar-22	378	£ 378			£ 378
Contents	Pole Pruner Kombi Attachment	Workshop	HT-KM	213 L09	Mar-22	228	£ 228			£ 228
Contents	145 Degree Hedge Trimmer Kombi	Workshop	HL-KM		Mar-22	300	£ 300			£ 300
Contents	Pole Pruner Telescopic Shaft 1.4kw	Workshop	HT135	530414818	Mar-22	1,020	£ 1,020			£ 1,020
Contents	Height Barrier & Installation	LRG Car Park			Sep-21	1,639	£ 1,639			£ 1,639
						13,575	**£ 13,575**	**£ -**	**£ -**	**£ 13,575**
Long Term Investments										
	CCLA Local Authorities Property Fund				Apr-16	**50,000**	**£ 50,000**			**£ 50,000**
	ASSET REGISTER TOTAL					**£ 985,104**	**£ 985,104**	**£ -**	**£ -**	**£ 985,104**

Audit report & Risk Assessment of Financial systems' internal controls for Marchwood Parish Council. March 2024

No.	Internal Control Tests	Findings
1	**Proper Bookkeeping**	
1.1	Is the purchase ledger and cashbook maintained and up to date? Format used?	The purchase ledger and cashbook is maintained using the OMEGA finance package and is to be prepared up to 31st March 2024. Rialtas Business Systems OMEGA finance package.
1.2	Is the purchase ledger and cashbook arithmetically, correct?	The purchase ledger and cashbook is analysed into cost centre headings with full cross casting to confirm overall totals.
1.3	Is the purchase ledger and cashbook regularly balanced?	The Responsible Finance Officer confirmed that the purchase ledger and cashbook is prepared at the end of each financial year when it is balanced by cross checking and confirmed by full bank reconciliation. Balances are reported to Policy & Resources Committee meetings.
2	**Standing Orders and Financial Regulations**	
2.1	Has the Council formally adopted Standing orders and financial regulations & dates approved.	Financial Regulations were last reviewed and adopted at the meeting of the Annual Council meeting 15 May 2023 [minute PC/23/011]. Model Standing Orders have been reviewed and were adopted by the Parish Council at the meeting of the 15 May 2023 [minute PC/23/011]. Standing Orders and Financial Regulations will be reviewed at the Annual Council meeting 20 May 2024.
2.2	Has an RFO been appointed with specific duties noted in both the contract of employment & Financial regulations.	The RFO Is the Parish Council's Section 151 Officer, and her duties are detailed in the Financial Regulations revised in May 2023. The RFO has a formal contract of Employment and Statement of Particulars, and these were signed on the 15th March 2021.
2.3	Have items or services above a de minimis amount been competitively purchased?	Normal levels of competitive tending apply where three quotations will be required and these would need to be approved by the Full Council.
2.4	The General Data Protection Regulations (GDPR)	Following on from the GDPR coming into force the Parish Council publishes a privacy notice on its website. All staff have undertaken GDPR training. The document retention policy has been updated and approved 12 December 2022.
2	**Payments Controls**	
2.5	Are payments in the purchase ledger and cashbook supported by invoices, authorised and minuted.	Proper invoices support all payments, that are cross referenced with Lloyds Bank, Financial Regulations cover various levels for tenders etc. All invoices are authorised by the RFO and signed by two Councillors and a payment summary is submitted to the Policy and Resources Committee, where it is approved and minuted.

Approved at Council meeting . Minute reference

Audit report & Risk Assessment of Financial systems' internal controls for Marchwood Parish Council. March 2024

2.6	Has VAT on payments been checked, recorded and reclaimed? Frequency & refunds into which A/c?	Proper VAT invoices are provided when relevant, with VAT checked and entered in separate coding column within the OMEGA package. VAT is reconciled monthly and recorded within the OMEGA package VAT claims are submitted quarterly as per the latest HMRC guidelines.
2.7	Is Section 137 expenditure separately recorded & in limit?	The set limit for 2024-25, if applied, is Number of Parishioners at 1st April 2024 x Section 137 rate for 2024-25 (£10.81 per elector). In practice a budget of £1,000 is administered by the Policy & Resources committee.
3	**Risk Management Arrangements**	
3.1	Does a scan of the minutes identify any unusual financial activity, projects, events etc.?	Any financial aspects for special projects & events are discussed by Council, and minuted stating financial implications involved.
3.2	Do the minutes record the Council carrying out any annual risk assessments? Play areas/BMX/skateparks regularity of checks & documentation?	The Parish Council's Amenities committee is responsible for undertaking play area inspections 2023. In 2023 these were completed by the Play Inspection Ltd on the 8 December 2023. Risk assessments are being completed and updated.
3.3	Is insurance cover appropriate and adequate? Policy nos. & broker/company? FG Cover level correct?	Parish Council insurance is held with Hiscox Insurance Company Ltd dated 1st June 2023 covering the standard local council aspects, renewable each June. The level of fidelity guarantee cover held is now £500,000. The Lloyd Recreation Ground Trust insurance is held with Hiscox Ltd policy number 9658267/8050943 dated 1st June 2023. Motor insurance is provided by Countrywise Motor Insurance Ltd policy number AGRI/100146/2023 dated 23 May 2023.
3.4	Are internal financial controls documented and reviewed regularly?	This financial risk assessment is reviewed annually.
4	**Budgetary Controls**	
4.1	Has the Council prepared an annual budget in support of its precept?	The Policy & Resources committee prepares a budget based upon the Parish Council requirements each Year. Full Council ratifies this in December and then New Forest District Council is notified of precept required each January. The process for 2024-25 was begun at the Policy & Resources committee meeting of the 25 September 2023 minute PR/23/013(d) and completed at the Full council meeting of the 18th of December 2023 minutes PC23/077
4.2	Is actual expenditure against the budget regularly reported to the Council & minuted?	Actual expenditure is monitored and reported by the RFO on a monthly basis. Appropriate action is taken by the Parish Council if required.
4.3	Are there any significant and unexplained variances on budget?	A process is in place to report significant variations whereby the Clerk & RFO will inform the Council of large variances. Any action required will be approved by Full Council.

Approved at Council meeting . Minute reference

Audit report & Risk Assessment of Financial systems' internal controls for Marchwood Parish Council. March 2024

5	**Income Controls**	
5.1	Is income properly recorded and promptly banked?	Any income received is recorded, banked promptly by RFO into Lloyds Bank Treasurers account 00606458 and the details are entered into the cashbook to a relevant code.
5.2	Does the precept recorded in the cashbook agree to the DC's notification? Yearly review of scale of fees?	Precept is received in April and September from New Forest District Council and paid direct into Lloyds Bank Business account 07107031 with a remittance advice received to confirm transfer amount.
5.3	Are security controls over cash adequate and effective?	Cash received is banked as soon as possible after being received.
6	**Payroll Controls**	
6.1	Does the staff salaries/wages paid agree with those approved by the Council & what is review frequency?	Staff salaries follow approved guidelines and comply with the NJC agreements. All staff salaries will be reviewed annually.
6.2	Are other expenses to the Clerk/staff reasonable and approved by the Council?	Casual user mileage @ 45p per mile is paid for travelling to meetings and training courses.
6.3	Have PAYE/NIC/ Pensions been properly operated by Council as an employer? Payment frequencies/method?	The Parish Council uses a payroll provider (J Humphry Associates) for calculating the monthly salary of all staff and for ensuring that Income Tax and National Insurance is deducted and paid over to HMRC on a regular basis.
7	**Assets Controls**	
7.1	Does Council keep an asset register of all assets owned incl. serial nos.? Annual physical check noted?	The Clerk & RFO holds an asset register on computer, analysed into types and locations. The insurance value of the total assets (all risks) is £985.104
7.2	Are the Asset/Investments registers up to date, incl. disposals? Note all Investments held with a/c nos.	The Asset Register contains detailed descriptions of each item.
7.3	Do asset insurance valuations agree with those in the asset register?	The asset register valuation is currently confirmed with the Hiscox Insurance Company UK Ltd to ensure that all items carry the correct valuation, and this has been applied to the insurance policy.
8	**Bank Reconciliation**	
8.1	Is a bank reconciliation for each account held? Note each account with bank/branch & a/c no.	Yes. Treasurers Account 00606458 held at Lloyds Bank PLC. Business account 07107031 held at Lloyds Bank PLC. CCLA Deposit Fund 0112350001PC. United Trust Bank Fixed Term Deposit 20121163.
8.2	Are Bank reconciliations conducted on receipt of statements & with what frequency?	All accounts are reconciled through the OMEGA package on a monthly basis when the bank statements are received.
8.3	Are there any unexplained balancing entries in any	No, all bank interest/charges, direct debits and standing orders were entered in

Audit report & Risk Assessment of Financial systems' internal controls for Marchwood Parish Council. March 2024

	reconciliation?	Cashbook as per bank statements.
9	**Year-end Procedures**	
9.1	Are Year-end, final accounts prepared on a Receipts and Payments or Income and Expenditure basis?	Income and Expenditure basis.
9.2	Do the accounts agree with the cashbook codings?	Yes: Final end of year accounts confirm that entries made in the cashbook are accurate and agree to all bank accounts held by the Parish Council.
9.3	Is there an audit trail from underlying financial records to the accounts, for both receipts & payments?	Full cross referencing of electronic payments and banking are cross referenced.
9.4	Where appropriate, have debtors and creditors been properly recorded? Are the year-end, General and Earmarked reserves held at reasonable levels?	Debtors and creditors information for financial year 2023-24 is correctly recorded. Levels of general and earmarked reserves are held at a reasonable level.

Signed Date

Clerk Marchwood Parish Council

Signed Date

RFO Marchwood Parish Council

Approved at Council meeting . Minute reference