



NORTH WALSHAM TOWN COUNCIL

Minutes of the Finance Meeting

held on 3 March 2025, at Cedar House, New Road, North Walsham NR28 9DE

Present: Cllr Seward, Cllr Brand, Cllr Heinrich,

Town Clerk: Wendy Murphy

Member of Public: Gemma Murphy (Croner – who left at 18.34)

The meeting opened at 18.30

1. APOLOGIES FOR ABSENCE

Cllr Ginbey, Cllr Wright

- 2. DECLARATIONS OF INTEREST** - (Standing Orders: 13b-pecuniary interest; 13c-personal interest if the code of conduct requires; Councillors will leave the meeting for the item, unless a dispensation is granted)
None

- 3. TO APPROVE MINUTES OF PREVIOUS MEETING** - (Standing Order: 3t vii-approve resolutions made as an accurate record; Standing Order: 12a-emailed with agenda, taken as read)
It was proposed by Cllr Heinrich and seconded by Cllr Brand with all in favour, it was RESOLVED to approve the minutes of 7th January 2025.

4. UPDATE ON MATTERS FROM PREVIOUS MINUTES

None

5. TO RECEIVE A PROJECTED END OF YEAR FORECAST FOR 2024/2025

Received report detailing March 2025 income against budget £538,485.65 and expenditure against Budget £477,540.25 with a surplus of £60,945.40.

The income is approximately £53.3k more than budgeted due to claiming around £20k from NCC for verge cutting, and £16k from a credit for electric.

The expenditure is approximately £9.6k more than budgeted due to overspend on staff & HR costs.

6. TO RECEIVE AN UPDATE ON THE EXTERNAL FINANCIAL REVIEW

Update received.

It was proposed by Cllr Heinrich and seconded by Cllr Seward with all in favour, it was RESOLVED to make the pensions audit a priority, Town Clerk has authority to delegate. **[ACTION WM]**

Make an ear-marked reserve for pensions. **[ACTION WM]**

Under Employment Law unable to currently outsource payroll and appraisal services as staff consultation required and some of the effected staff currently not available. Therefore, proposed action deferred until such a time as required consultation can take place.

Recommend to Full Council to agree having mandatory training for Councillors on Finance and Personnel Committees. **[Action WM]**

Purchase Order system for anything over £500. **[ACTION WM]**

Signed:.....

Date:.....



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7. TO RECEIVE AN UPDATE ON THE INTERNAL AUDITORS INTERIM REVIEW

Audit update accepted.

8. TO RECEIVE AND AGREE THE INVESTMENT POLICY

It was proposed by Cllr Heinrich and seconded by Cllr Brand with all in favour, it was RESOLVED to accept the Investment Policy. **[ACTION WM]**

Look into legislation around the ability of Town Councils to purchase property/asses with the prime purpose of generating income. **[ACTION WM]**

9. TO AGREE THE INTERNAL SCRUTINEERS CHECKLIST FORM

It was proposed by Cllr Seward and seconded by Cllr Brand with all in favour, it was RESOLVED to accept the internal scrutineer’s procedure and complete at least quarterly. There will need to be a second scrutineer, Cllr Brand recommended. **[ACTION WM]**

10. ITEMS FOR NEXT AGENDA/LATE ITEMS FOR DISCUSSION ONLY - (Standing Orders: 9b-Agenda items to be received at least 7 clear days before the meeting; 9f-The Proper Officers decision whether to include the items on the agenda shall be final)
Will need another Finance meeting this year, for budgets, yearend etc.

Ask Full Council for clarification whether Cllr Dibben and Cllr Wright to continue attending Finance meetings. **[ACTION WM]**

11. DATE OF NEXT MEETING

Finance Committee - Tuesday 15th April 2025 6.00pm

12. TO CONSIDER PASSING A RESOLUTION, IN ACCORDANCE WITH THE PUBLIC BODIES (ADMISSION TO MEETINGS) ACT 1960 THAT THE PUBLIC AND PRESS TO BE EXCLUDED FROM THE MEETING FOR THE FOLLOWING ITEMS BY REASON OF THE CONFIDENTIAL NATURE OF THE BUSINESS TO BE TRANSACTED

12.1. Request for Crime Prevention Equipment, seek further clarification. **[ACTION WM]**

12.2. Potential new projects discussed.

Meeting closed at 19.40

| Area | Matter arising | Suggested action | Town Council actions | Action by | Target completion | Progress |
|------|---|--|---|-------------------|----------------------------|---|
| 1 | Payment approval It remains a legal requirement that payments are authorised by two councillors. | It is not required for councillors to initial invoices, but all payment listings should have evidence of being checked. | Review Financial Policy, suggest retain current Councillor initialling for correctness and for BACS | | | Existing policy to remain Add J. Page as bank signatory COMPLETE |
| 2 | Bank authorisation The now closed Nat West account were operated by the RFO from a personal mobile phone. This is entirely inappropriate and left the council outside the terms of its fidelity insurance. | Any mobile phone used for authorisation codes must belong to the Council and be kept in the office. Any account that allows an officer to make payments without additional authorisation by members should not be used. | New Unity Bank A/C has more secure control so issue should not reoccur. Consider whether potential staffing issue may have to be addressed | Finance Committee | June | New account is more secure. No personal phones used for authorisation COMPLETE New system in use and understood by staff and Councillor signatories COMPLETE Staffing issues to be reviewed |
| 3 | Grant application The grant application form, and several others, are published on the website as word rather than PDF leading to security warnings to electors. | All forms should be published as PDF with editing copies provided on request. | Upload editable pdf grant/donation form (after review) | Office | End-March | This will be completed when the Office Junior starts |
| 4 | Financial regulations The council has adopted the 2024 model regulations and is starting to follow them. The council routinely did not follow its former regulations. | Adopting policies and then not following them – for example payment approvals and assessing of quotes – leaves the council exposed to risk in a way that it totally avoidable. | Review Financial Policy vs the 2024 Regulations and amend payment approvals and assessing of quotes if required to ensure greater compliance by the Council | Office | April/ May | Report from Clerk on Review April/ May Full Council |
| 5 | Minutes The minutes of the council are the master legal record and must be able to stand alone in future years without reference to any website. The minute book of the council has not complied with this requirement for many, many years. | The minutes should contain all payment listings, bank reconciliations, approved accounts and budgets, policies and agreements. Minutes do not need to be bound. Retaining agenda packs with the signed minutes is good practice. | Ensure supporting information is included in future Minutes and review standing orders to provide for such supporting information. Add to previous Minutes from May 23 onwards | Office | Immediate End March | |
| 6 | Planning comments It would appear that 'the council' has been submitting comments on planning notices based on email discussions rather than properly convened meetings or | Councils cannot make decisions outside of meetings for which proper agendas and minutes are kept. | Include all applications in Full Council Agenda | Office | Immediate | Completed |

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| | an appropriate scheme of delegation to the proper officer. | Please ensure that proper practices are instituted without delay. | | | | |
| 7 | Officer presence at meetings On several occasions during 2023, no officers were present at meetings of the council. This is not good practice. | The council has sufficient office staff that cover should always be provided and if necessary locums hired from neighbouring towns. | | | | Council has well staffed office now. Officer available for all meetings COMPLETE |
| 8 | GPC The council has GPC until the next election date. The level of councillor resignations and co options currently blocks the council from renewing it. | Members and officers should work together to ensure that all parts of the GPC requirements are in place by May 2027 | Encourage residents to stand for 2027 elections | | | GPC will be renewed at 2027 elections following Councillor elections NO ACTION UNTIL THEN |
| 9 | External auditor requirements The External auditor requires that all variances over 15% are explained and that responses are consistent between the council and the IA. For the 2023/24 AGAR the RFO had not prepared the appropriate spreadsheet and the then IA had ticked the wrong boxes. | In advance of the 2024/25 year end, the officers should work with the IA to ensure that all EA requirements are correctly | Ensure that RFO includes explanations in 24/25 report. All 23/24 actions have been completed | Office | Next audit | |
| 10 | Internal auditor report The former internal auditor appears not to have correctly reviewed any of the processes and systems of the council. | The council should have noticed that the IA reports referred to the Audit Commission which was abolished many years ago. | | | | New auditor is providing more thorough reports COMPLETE |
| 11 | New Internal Auditor For the current financial year the council is using a new Internal Auditor whose September Interim report has been received. | The work done by the new IA is comprehensive and clear. The council should actively seek to address all matters arising. | Finance Committee review and action IA recommendations | Office | | Actions carried out COMPLETE |
| 12 | VAT Surcharge During 2023 the Council did not file all of its VAT returns on time and was put onto penalty points by HMRC. This was not brought to the attention of members. | The RFO should ensure that all tax obligations are complied with and that any errors are notified to members in a timely manner. Appropriate training for the RFO may be required. | Recommendation accepted Consider whether potential staffing issue may have to be addressed | Office Finance committee | June | Submission dates displayed in office and returns reported to each Finance Committee COMPLETED Staffing issues to be reviewed |

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| 13 Risk assessment | The risk assessment on the website does not include the changed bank accounts. | The Internal auditor will review the adequacy of the document at year end. All matters raised should be actioned without delay. | Update bank details on website | Office | End March | The office Junior will complete this in March |
| 14 Fidelity Insurance | The IA has noted that the council's fidelity cover is insufficient. | As it will be many months until projects are completed, this should be rectified with the insurers. | Discuss with insurers | Office | End March | The RFO/Finance officer will complete |
| 15 Nominal code structure | The nominal coding and thus reporting structure of the council is very unusual and appears designed to obscure activity areas rather than explain them. | With the support of the Scribe software team a more standard coding structure should be implemented before 1st April 2025 | Concern over reporting structure accepted and Finance Committee to agree remedial action plan More detailed coding will enable in-depth assessment of costs for all locations and activities | Office | Mid March | RFO/Finance officer to look at this in March |
| 16 Budget setting | The budget has been produced on a spreadsheet rather than within the accounting software, increasing the risk of errors. | As soon as the new coding structure is in place, the 2025/26 budget should be mapped onto it and all future reports produced from Scribe. | Finance Committee to oversee implementation of recommendation | Office | End April | |
| 17 Budget monitoring | There is no evidence that members have been provided with timely, accurate and clear budget monitoring reports. | Appropriate reports should be made available to every quarterly finance meeting and published with the agenda. | Ensure Scribe reports are set up and provided monthly to Finance Committee and Full Council Office to agree report content/format with Finance Committee | Office | End March | |
| 18 General reserve | For a council the size of NWTC the general reserve should be of the order of 4 months of revenue expenditure. | The reserve has been consistently higher than this due to projects being delayed. | Accepted general reserve too high and Council/ Committees need to have a programme of expenditure to use general reserve. | Finance | End April | |
| 19 Earmarked reserves | The earmarked reserves of the council do not meet the criteria set out in the Practitioners Guide. | All should be rolled back into general reserves and then allocated on current and future projects that will benefit residents and taxpayers. It may be beneficial to carry out a survey (online) to find out what residents would like the council to focus upon. | Finance Committee to review current Reserve Statement to ensure compliance. Further action as set out in above comment Committees to produce projects wish list, and an online survey with residents | Committee Chairs | End March | |
| 20 Receipts from sale of assets | In 2019 the council sold a building to a member of staff but there is no clear record of | Capital receipts are subject to strict restrictions. Clear reserves should be set up whenever this | As a priority trace balance and have a capital reserve | Office | End March | RFO/Finance officer will do this with their end of year checks |

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| | what happened to those ring-fenced reserves. It has been asserted that £45,000 of the funds went on a grounds compound, the rest is unidentified | happens and equally clear records and minutes of how the funds are spent. The balance of the £118,000 should be traced and then appropriately spent. | Transfer the balance of the £118,000 to reserve, dedicated to Cemetery capital projects | | | |
| 21 | There is no evidence that members of the council have ever carried out proper internal control checks over the petty cash tin balance . | Now that the council has a multipay card it may be worth abolishing petty cash, but proper internal controls are essential. | Petty cash no longer used. Purchase card used for local sundries | | | COMPLETED |
| 22 | The contracts issued to the current staff imply that they are NJC when they are not. The contract terms for some staff are significantly better (guaranteed increment pay rises regardless of performance) than others, in a manner that is a likely breach of the Equality Act The HR advisers are currently updating all contracts. | All employees must be given comparable employment terms. The new NALC / SLCC model contract should be applied and employment rights preserved for current employees. Forcing employees to sign contracts without time to read them is extremely poor practice and must cease. | Continue contracts review with Croner | Office/ Mayor | End March | Town Clerk will look at staff contracts. Mayor to review Town Clerk |
| 23 | As a result of certain staff getting automatic increments regardless of performance, their pay bands are higher than would be expected for the roles. | When the updated contracts are issued, benchmarking of roles may be beneficial. | Recommendation Accepted | | End March | Look at when contracts have been completed |
| 24 | It would appear that in previous years the RFO incorrectly calculated LGPS pension contributions such that some staff paid too little into the fund. It is unclear why this was not picked up in the end of year returns. | The RFO was not in the office at the time of this visit so no conclusion can be drawn, but going forward all payroll processing should be by properly competent and independent individuals. | Consider outsourcing wage processing Consider a reserve sum to cover back payments | Council | End March | The Town clerk will be looking into this and if this is a bigger problem then expected this will be out sourced |
| 25 | Wages have been processed in the office by the RFO but it appears on at least one | Wages processing should be outsourced to an experienced bureau such as Livepay which will | Consider outsourcing wage processing and review whether | Council | March 26 | As job contract/descriptions need to be consulted on this will be deferred for 12 months |

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| | occasion errors were made on total payments. | also remove the need for the 'wages' bank account which has operated in a non compliant, non transparent manner. | any Officer responsibility remains over payment error | | | |
| 26 | It would appear that councillors who are not appropriately trained have carried out appraisals and reviews leading to conflict, grievance and instability in the council. | Quotes should be sought from the HR team at one of the neighbouring District Councils (not North Norfolk) to support and advise appraisals for all staff. | Investigate externalising appraisals. Consider outsourcing for initial two years | Office | March 26 | As job contract/descriptions need to be consulted on this will be deferred for 12 months |
| 27 | The proper officer has L1 AAT and has nearly completed CiLCA. It is not clear what qualifications other members of the finance team hold. It is not clear whether all of the grounds team are up to date on Health and Safety training. | All officers should ensure that they are appropriately trained for their current role – ideally using evidenced external trainers. Grounds team compliance with Health and Safety is essential for Public Liability Insurance. | Review training for all staff Update skills matrix | Office | | This is in process with |
| 28 | At the time of visit the RFO and Head groundsman were both off sick. It is understood that there are several grievances between officers and members. | To ensure that disagreements within the council are defused, appropriate external mediation support, eg from Council HR should be sought. | Recommendation to be considered once current grievances concluded | | | Culture Review is being completed 4 th March 2025. Await outcome from grievances |
| 29 | The council has not reported or minuted the balances in each bank account on a regular basis. There is no evidence that members are checking the Scribe balance summary back to the actual statement. | Every member of the council in rotation should check the reconciliation to the physical bank statements - for every account - each month. | Include reconciliation information in monthly reports to Finance Committee and Full Council | Office | April | Will be included in Internal Scrutineers report |
| 30 | As identified by the Chair of Finance, the council was not getting an adequate return on reserves awaiting updated projects. | The council is too large for the FSCS guarantee so should focus on maximising return in advance of spending excess reserves. | Already moving funds to investment accounts | Office | | To be completed by end of March CCLA extra £100,000.00 |
| 31 | As the council holds more than £100,000 in its accounts | A good practice policy such as this should be adapted and adopted. | Finance Committee draft an Investment Policy | Office | Feb | Draft awaiting Full Council approval |

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| 32 | Accounting reports it is required to adopt an investment policy. The Scribe software produces clear income and expenditure, debtor and creditor reports. These have not been used for transparently reporting to members or taxpayers. | Members of the council need to ensure that they are properly informed about the actions for which they are responsible. Accurate, complete, timely accounting reports are key. | Finance Committee to define as a priority reporting to itself and Council Finance also to receive Internal Scrutineers Reports Update Standing Orders/ Financial Regulations to ensure compliance | Finance Office | March | Internal Scrutineers report will be sent to Full Council and Finance Committee |
| 33 | Council website A full GDPR and FOI review of the website should be carried out, removing all superseded personal information along with excess detail that does not aid transparency and accountability. | Former employees, former members and street names should be removed. AGAR records should be extended – as highlighted by the Internal auditor | Arrange review of website to remove personal data, consider updating website or replacing | Office | March | Office Junior to complete this |
| 34 | Membership of committees The council has a history of grievances and disputes and settlements to former staff that arises from a lack of proper governance and controls. | The membership of all committees should be reappointed by full council to try to avoid conflicts of interest. | Full Council review membership of committees in May | Council | May | Training to be sought before councillors are reappointed to committee ie relevant qualifications to be on committee if not held then committee suspended until training is completed |
| 35 | Member training It does not appear that members of the council have attended any external training on finance, planning, governance or roles and responsibilities. | It is essential for rebuilding the harmony and reputation of the council that all members clearly understand their rights, responsibilities and tasks. | Investigate advanced Councillor training. The normal new Councillor training is not detailed enough Consider mandatory training for Personnel and Finance committee members | Office Council | Feb | Training to be sought before councillors are reappointed to committee ie relevant qualifications to be on committee if not held then committee suspended until training is completed |
| 36 | War Memorial Park Charity The council is the sole trustee of the War Memorial Park Charity. It would appear that the charity does not have its own bank account and that all of its income and expenditure has in fact been put through the council records. The sums have then been additionally reported as if they had gone through the Charity's own account. | The council should look to set up an MOU with the Charity so that all activities on the Park are accounted for in the council (including VAT which has been incorrectly allocated) systems and the Charity return reflects the reality of zero transactions. [this differs from the IA comment but resolves the points they raise more effectively] | This is a historical issue. Town Clerk has begun the unravelling of the accounts. More work to be done to complete the proper separation of Council and Charity | Office | End March | To be completed by RFO/Finance officer MoU to be finalised |

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| 37 | <p>This double counting distorts the income applicable to the space and is a breach of Charity law and Parish legislation.</p> <p>The returns of the charity are also not up to date.</p> <p>The Scribe accounting system allows PDF invoices or extracts of reports to be attached to every item (including salaries and pensions)</p> | <p>The annual return should also be brought up to date – as highlighted by the Internal Auditor.</p> <p>Every payment or receipt should be supported by appropriate documentation. If an invoice has multiple pages all should be attached</p> | <p>Every payment or receipt will be attached to the transaction in Scribe</p> | <p>Office</p> | <p>Immediate</p> | <p>This is already happening for purchases. Look into Purchase Order system for anything over £500. Look into receipts</p> |

