

## **RFO Reports**

### **Update - for information only**

Trust Accounts – signatories have now been updated and we are awaiting receipt of cheque books on all three accounts. On receipt £500 will be transferred from the Philip Blamey Trust to cover the £500 grant awarded last year.

### **11. External Audit** – to receive and consider the external auditors report

Attachments: 11.1 External Audit Report and Certificate 2018/19; 11.2 Annual Governance Statement 2018/19 Notes

Following conclusion of our external audit by PKF Littlejohn, we have received an 'except for' report relating to periodic bank reconciliations. In addition, the Council's attention is drawn to those items it highlighted in its own Annual Governance Statement. The actions detailed in the notes submitted with the external audit report have already been adopted and are being undertaken. Council should continue to monitor performance of this action plan.

**Recommendation: To accept the external auditor's report and note the actions required**

### **12. Banking arrangements**

- a) **to agree the signing mandate for the HSBC and Lloyd's Bank accounts**
- b) **to agree which councillors will provide electronic authorisation for bacs payments**

Current signatories to the HSBC account are Councillors Brooks, Goldsworthy, Hawken, Pascoe, Powell and Whitty.

To operate the HSBCnet system for bacs payments (as agreed at the last Finance, Economic Development and General Purposes committee meeting to comply with Financial Regulations) we will need 3 - 5 Councillors who are signatories to the account to also be set up as users on this system so that any two can provide an electronic authorisation for payments. To do this they will need to access the bank account remotely via computer (access will be limited to checking and authorising payments) within agreed timescales to ensure payments are made on time. HSBC have advised standard virus/security protection is required which they can provide if needed. Councillors acting within the scope of their authority and in accordance with the Financial Regulations will be covered by the Fidelity Guarantee and cannot be held personally liable for any losses unless acting maliciously or fraudulently.

At the last Finance, Economic Development and General Purposes committee meeting, Councillors Brooks, Pascoe and Whitty indicated that they would be willing to remain as signatories, and Councillors Brooks and Whitty would be willing and could usually meet timescales to authorise electronic payments. Councillor Hawken

was rarely available to act as a signatory and wished to be removed from the mandate.

An additional three Councillors are required to act as HSBC account signatories, with 1 – 3 of these also performing the task of authorising electronic payments.

Signatories to the Lloyds Bank account are Councillors Powell and Whitty. This account only provides a debit card facility, and no other payments are made from it. However, to ensure it is possible to give instructions to make any necessary changes to the account it is important the mandate provides for two from a group of Councillors to complete such instructions to ensure there is always somebody available. It is recommended that the same group of six Councillors act as signatories on both the HSBC and Lloyds Banks accounts.

**Recommendation:**

**(a) To confirm six Councillors to be signatories to the HSBC and Lloyds Bank accounts**

**(b) To confirm 3 – 5 of these to provide electronic authorisation for bacs payments**

**13. Insurance** – to agree insurance arrangements for the coming year

The Council have used brokers WPS to handle their insurance arrangements for many years. Our existing policy with Aviva is due to expire from a three year arrangement on 31 October 2019 and WPS, having approached 17 insurers as part of the Council Guard Scheme to broker policies for town and parish councils across England and Wales, have recommended switching to Royal & Sun Alliance (RSA). They have assessed this on rating competitiveness, depth of coverage, services on claims and admin, and financial security. RSA also stood out for their willingness to offer three-year fixed rates. In addition, they are offering some enhancements to cover such as an increase in Public Liability from £10 million to £15 million.

RSA have quoted £12,092.72 which is less than last year's premium. Two new areas have also become available to insure against, which are Terrorism (an additional £1,299.72) and Cyber (£100,000 limit) & Commercial Crime (£50,000 limit) (an additional £280). All quotes include Insurance Premium Tax.

As part of the quote process, RSA have assessed our security arrangements including alarms and locks etc, and maintenance and servicing arrangements for items such as flat roofs, gutters and kitchen equipment. They have requested we make improvements to one door lock, and security on three windows by 12 December 2019, and the premium quoted includes a £500 discount to cover the associated costs.

RSA have offered to fund new desktop valuations on our three main properties if required (the last full rebuild valuation surveys were carried out in 2016), when cover would be adjusted accordingly.

If all three covers are selected this gives a total premium of £13,672.44 on a three-year fixed arrangement and the Council has budgeted £12,920 in the current year.

Cost Summary (all figures include IPT)

2019/2020 Insurance budget	£12,920.00
Policy Renewal with like for like or improved terms	£12,092.72 (inc £500 discount to improve locks)
Terrorism Cover (damage and loss)	£1,299.72
Cyber (£100,000 liability limit) & Commercial Crime (£50,000 liability limit)	£280.00
<b>Total with additional covers</b>	<b>£13,672.44</b>

**Recommendation: To agree to a new 3 year Long Term Agreement for the renewal of the insurance with RSA**