

MINUTES OF A MEETING OF THE FINANCE SUB-COMMITTEE
held on Thursday 5 October 2016 at 7.30 pm at District Headquarters

PRESENT: Tony Andrews (Chairman and Acting Secretary); David Bateman (Chairman 14-25 Finance and Support Group); Steve Clarke (Treasurer); Craig Dewar (DC); and Ray Salisbury (Activity Centres Treasurer).

APOLOGIES: None.

1 Welcome and Chairman's Opening Remarks:

The Chairman welcomed everyone - particularly David Bateman (following his recent appointment as Chairman 14-25 Finance and Support Group). He also indicated that Alison Wilkinson had resigned as Secretary and that he had notified the vacancy to those attending the District Leaders' Meeting the previous evening.

2. Minutes of Meeting held 7 July 2016:

The minutes of the last meeting had been circulated and were agreed as a correct record after noting:

a. Sharpe Bequest Fund: Under Item 3c, the Treasurer reported that the income from the Nationwide Building Society was less than that he had calculated - but not of any significance to warrant any action.

b. Explorer Scout Finance: Under Item 5, the Treasurer clarified some of the information given in relation to outstanding Membership Subscriptions:

(1) Erics: The outstanding monies were £285.30 for 2014, £128.00 for £2015 and £109.50 for 2016.

(2) Saints: That £150 of the outstanding £333.00 had now been paid.

3. Matters Arising:

Under Item 9d (Activity Centres - Valuation of Property and Related Insurance Requirements), the Activity Centres Treasurer reported that, to date, he had been partially successful in clarifying matters. At the appropriate time the Trustees would have to take a view as to whether the market value or the insurance value be included in the Annual Accounts. He had received one opinion on this but would be undertaking further research.

4. Treasurer's Report:

a. Group Accounts/Charity Commission Returns: The Treasurer outlined the work-in-hand to support two Group Treasurers (see also Item 8). He observed that, to date, none of the 12 Scout Groups (with a financial year ending 31 March 2016) registered with the Charity Commission had submitted their returns.

b. Donations: The Treasurer reported that:

(1) St George's Day Collection: The £100 collected had been paid to Unique Kidz & Co.

(2) Andrew Buckley: The £700 given in memory of Andrew Buckley had been passed to the Activity Centres Account (for Littledale). Although there had been some suggestions, no decision had been taken as to the use of this money.

(3) Peter Hewitt: We had been informed that donations in Peter's memory will be paid to the District Scout Council; no preferences were expressed as to how the money was to be used.

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c. Activities: The Treasurer reported that with one exception all activities had been run at a surplus. It was indicated that the surplus for the District Camp could be in the region of £600 to £1000; this vindicated the policy of preparing a budget with an appropriate contingency. In accordance with the agreed policy these surpluses would be absorbed as part of the District's funds.

d. Debtors: The Treasurer reported that:

(1) Explorer Scout Capitations: There were still debts but it must be recalled that this is still work-in-hand (see Item 6).

(2) Lancaster Scout and Guide Shop: The £1017.14 outstanding is referred to in Item 7.

(3) District Camp: There was some doubt as to the amount owed by the one Scout Group [for this event].

e. Projected Financial Out-Turn: The Treasurer provided a summary of his calculations which gave a possible out-turn (at year end). As with the previous year, the budget items in support of activities [in the District] was projected to be significantly underspent. At the request of the DC it was agreed to adjust the current Scout Section budget by combining the sums in the two budget headings and by increasing the money available by £143 (making a total of £443), to enable the purchase of 'Programme Box Items' - hammocks.

f. Reserves Policy: There was some question as to the appropriate level of reserves we should be carrying (and if too high if this could attract attention from the Charity Commission). The Chairman reminded members of his calculations earlier this year which did provide a different answer (as he had considered some other factors when calculating reserves). It was agreed that this was a subject to be addressed (at the next meeting) when preparing the budget for next year.

5. Activity Centres Financial Report:

The Activity Centres Treasurer reported that (to date) total receipts for 2016 are £44,451.12 and payments £33,698.91 - thus generating a surplus for the year of £10,752.21. All figures include 'exceptional items' - noting particularly £7,578.88 in relation to fire alarm systems and heating. The total funds currently stand at £86,361.36.

6. 14 – 25 Finance and Support Group:

The Chairman of the sub-Committee reported on the recent meeting (held on 20 September 2016) and referred also to the distributed minutes of that meeting. Specifically, the meeting had focussed on:

a. Committee Membership: Several people were identified to fill the vacant positions on the sub-Committee (to be actioned by those present at the meeting). It was considered that, in some instances, it would be better to recruit those who had an interest in the work of the sub-Committee.

b. Terms of Reference: For the benefit of all those attending, the Terms of Reference of the sub-Committee were reviewed/considered. This served to also identify some of the areas where attention would be necessary this year.

c. Explorer Unit Finances: Following-on from earlier discussions (both at the Executive Committee and Finance sub-Committee), the District Explorer Scout Administrator provided an update of her work in clarifying the accounts for all Explorer Scout Units. It was evident that a significant amount of work had been undertaken and that progress was being made (albeit slowly in some cases - due to circumstances outside the Administrator's control). It had been agreed, that in view of the legacy nature of the debt, to write off sums owed by Erics as membership subscriptions for years prior to 2016. The Explorer Scout Restricted Fund had been used to make these payments (at the due time) and would thus meet this commitment. It had been agreed that at the next meeting of the sub-Committee the Administrator would give a presentation on Online Scout Manager. The Finance sub-Committee asked that their appreciation of the work that the Administrator had undertaken (to date) be recorded and passed-on to her.

d. Priorities: A number of priorities had been identified for the next year - particularly financial procedures.

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7. Lancaster Scout and Guide Shop:

The Chairman (as the DC's nominee as a member of the Lancaster Scout and Guide Management Committee) reported that, as there had been recent changes of both the Guide Division Commissioners, there had, as yet, been no recent meeting. He was hoping to progress this in the near future. He also acknowledged that there was still a sum (of £1017.14) owing to the District Scout Council - the distribution of the surplus for the year to 31 March 2015. As yet there had been no completion of the accounts for the year to 31 March 2016, although it was understood that the necessary records and vouchers, etc, are with Tracy Seton.

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8. Group Accounts:

The Chairman reported on his on-going work in obtaining annual accounts from Scout Groups (in accordance with the requirements of POR). At the date of the meeting 16 had been received for the year to 31 March 2015 and 14 for the year to 31 March 2016. Of these 7 and 9, respectively, were adjudged to have met all the requirements but for the others there were omissions/errors. This included incomplete accounts (particularly not showing bank balances, arithmetical errors, omission of Trustees' signatures and lack of evidence that the accounts had been subject to external scrutiny). The Chairman also observed that he had identified errors in some accounts which had been subject to external scrutiny. The sub-Committee re-confirmed the requirements that had to be met by **all** Scout Groups: accounts (without errors) plus Trustees' and Scrutineer's signatures. It was also reported that where significant accounting difficulties had been identified the District Treasurer's assistance had been requested to work with the Group Treasurers (currently two such Scout Groups).

9. Budget for Forthcoming Finance Year - Initial Considerations:

Preparations for next year's budget were considered. The discussion in relation to reserves (Item 4) also needed to be considered also at the next meeting.

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10. Governance Document:

The entries for the Finance sub-Committee were due for review in November 2016; the item was taken at this meeting due to the business planned for the next meeting [of the sub-Committee]. For many there was no change of the RAG status; of note are:

- a. **Risk 4 (Reserves Policy):** Remains as 'A' as some work still needed to refine the policy.
- b. **Risk 6 (Financial Controls and Budget Management):** Regraded from 'A' to 'G' in view of improved budget monitoring, particularly.
- c. **Risk 9 (Group Accounts):** Remains as 'R' in view of the difficulties in obtaining accounts from Groups (and in the required format).
- d. **Risk 10 (Financial Planning):** Regraded from 'A' to 'G' in view of improved financial planning (as witnessed by that for the recent District Camp).

11. Any Other Business:

a. **Insurance Act 2015:** Our attention had previously been drawn to the implementation of the Insurance Act 2015. This came into effect on 12 August 2016 and affects all commercial and charity insurance policies governed by UK law. The sub-Committee considered a summary [of the Act] provided by Unity Scout Insurance Services. It was felt that this was a useful summary (What do I need to do to comply with the Act?). As far as the Scout Council is concerned it was confirmed that the District Treasurer is the appointed person for arranging insurance for District Headquarters and the Activity Centres Treasurer that for the Activity Centres. We believe that we understand the risks involved (principally theft and damage by fire - although the risks may be higher for the Activity Centres by virtue of their isolated locations). It was acknowledged that there was sufficient documentation within the District's Governance Document but that some additional work may be required to ensure that there are appropriate inventories (plus the method for calculating the value of stock in the Scout and Guide Shop). It was agreed that the summary referred to above should be drawn to the attention of all Scout Groups.

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b. **Sharpe Bequest Application - 1st Forton:** The Chairmen indicated that following an enquiry from the GSL 1st Forton it had been identified that an application submitted by the Group had not been received (as an incorrect e-mail address had been used for the Chairman). Members of the Committee were briefed on the nature of the application and the level of the Group's financial assets (and that a successful application had been made last year). The

Committee agreed that, had the application been received in time for consideration at the previous meeting, no grant would have been made (in view of the criteria established for this year's applications).

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12. Date of Next Meeting:

The date of the next meeting of the sub-Committee had previously been agreed as 10 November 2016 (at the District Headquarters, commencing at 7.30 pm) - the principal business to set a budget for 2017.

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