

**FINANCE COMMITTEE
ANNE FRENCH ROOM
11th May 2021
14:30**

**Mr C Harris, Chairman
Mr B Abel
Ms A Burgess
Mr I Carter
Mr K Gentle**

Mrs E O'Toole, Finance Manager/Minutes (FM/Treasury)

**Apologies: Ms K Jones, Chief Executive (CE)
In attendance: Mr S Taylor, Strategic Financial Advisor (SFA)**

22/2021

Matters Arising

22.1 Minutes & Confidential annexure from 15th March 2021 tabled and confirmed.

Accounts and financial reporting – The SFA advised that the States of Alderney accounts are receipts and payments, based on the Government of Alderney Law, 2004 rather than recognised international accounting standards i.e. with balance sheet, cash-flow and profit and loss. Noted that cash balances held are currently recorded in ledger including accumulated surpluses and unspent Alderney Gambling Control Commission distributions. Future of unspent AGCC distributions to be discussed with States of Guernsey at some point.

Mr Abel advised that he remains concerned that funds are utilised from capital reserve for general revenue expenditure. SFA emphasised that this would only be for cash management purposes during the year. Year-end accounting allocations between capital and revenue are the important area and are always correct. Capital balances are not used to meet revenue expenditure

SFA was requested to circulate the paper considered by Policy and Finance Committee in 2014 regarding adoption of international reporting standards being either the International Financial Reporting Standards (IFRS) or International Public Sector Accounting Standards (IPSAS).

SFA

The SFA was requested to provide a brief analysis for committee members which explained current position regarding format of accounts, reserves and cash-flow.

SFA

23/2021

Revenue Account

23.1 Draft Accounts 2020 (subject to audit)

- a) **States of Alderney & States of Alderney Water Board - 2020 Summary of Accounts** as previously tabled and **noted**. The FM advised that audit is still ongoing with the potential for some post year-end adjustments which have been identified thus far.

It was agreed that the full audited accounts will be tabled at a special meeting later this month prior to being tabled for approval at the Policy and Finance Committee.

TREASURY

23.2 Water Board Reserves Report from Treasury tabled and discussed. Further to the request at the previous meeting, the report details accumulated revenue reserves with the level of reserves having increased steadily over the last few years with the addition of modest

surpluses. As the Water Board accounts do not refer to a policy or specify the purpose of holding reserves, it is recommended that this be addressed.

It was noted that the water rates charging policy, ordinance and law is currently under review following a challenge of a charge by a resident. **Noted**

The Committee agreed to recommend:-

- a) **The General Services Committee be asked to agree to designate an unrestricted revenue reserve of £180,000 for the Water Board at the end of 2021;**
- b) **The General Services Committee be asked to agree to designate the remaining accumulated surplus as an Infrastructure Investment Reserve; and**
- c) **the future capital grant allocation from 2022 from the States to the Water Board be reviewed following in the context of discussions on the future of AGCC surpluses.**

TREASURY/GSC

Capital expenditure programme (2020-2024) – The Committee requested that the 5 year programme produced by the Capital Projects Coordinator is circulated.

TREASURY

23.3 Major Income Monitoring Report tabled and noted. Following the request at the previous meeting, this report provides details some of the major income for the States of Alderney such as Alderney Property Tax, Fuel Duty, Document Duty and Property Transfer duties. **Noted**

24/2021

Delegated Items – Grants

24.1 Grant Scheme & Award Process Report from Treasury tabled and noted. At the previous meeting, it was requested that some clarity over the various grant schemes managed by the States is presented.

The Committee noted the current process and agreed to recommend to Policy and Finance Committee that:-

- a) **It should continue to undertake a financial review of all grant applications considered under the general scheme owned by Policy and Finance Committee; and**
- b) **the Economic Development Committee should continue to carry out the financial review for all small business and tourism grants.**

24.2 Grant support/ referrals from GSC Report from Treasury tabled and considered. Two cases for financial support have been referred to the Committee from the General Services Committee for the Alderney Bird Observatory (ABO) and the Alderney Society. These cases need to be considered in the context of the States grant scheme/ standard criteria, which is owned by the Policy and Finance Committee, with the Committee being responsible for the financial review prior to recommendation for award.

The Committee agreed to note the current process and agreed:-

- a) **In respect of ABO, General Services Committee is asked to:**
 - i) **confirm its agreement in principle and budget provision to support the ABO to the middle of 2022;**
 - ii) **confirm that meaningful discussions are continuing with the ABO in respect of its longer-term position. This should include the implications for States support; and**
 - iii) **request that a grant application is submitted so that the Committee can make a recommendation for GSC in the context of the grant criteria.**
- b) **In respect of the Alderney Society, General Services Committee is asked to:**

- i) confirm that the new expenditure will be met from the Environmental Grants budget in 2021 and in any subsequent year;
- ii) ensure that any future applications for grant support are referred to Committee for financial evaluation in the first instance, so that the relevant criteria can be assessed.

TREASURY/GSC

24.3 Grant Request – Alderney Football Club Report from Treasury tabled and considered.

A grant application has been received from Alderney Football Club for a grant to meet the costs of purchasing grounds maintenance equipment.

The Committee did not agree to a grant as the Football Club:

- a) has sufficient free reserves; and
- b) has already purchased the equipment it is requesting funding for.

TREASURY

24.4 Summary of Grants 2021 to date tabled and noted.

25/2021 Economic Development Reserve

25.1 EDR Summary & Projects – April 2021 to be circulated by email.

TREASURY

26/2021 Delegated Items – Coins

26.1 Coin Issue for approval – see confidential annexure.

27/2021 Delegated Items – Stamps

27.1 Stamp Issue for noting – see confidential annexure.

28/2021 AOB

28.1 Price Paid Data Q1 2021 The Committee noted the data for Q1 property sales however queried why this information is made available. Treasury to make enquiries with the Greffier as the information is collated and published by the Court.

TREASURY

Meeting closed: 16:45pm

Signed: Mr C Harris, Chairman

Date: 12th July 2021