

FILEY TOWN COUNCIL

MINUTES OF THE FINANCE & GENERAL PURPOSES COMMITTEE MEETING HELD ON MONDAY 2 JUNE 2014 AT 7.06PM

Present: Cllr S Bosomworth, Cllr J Haxby (Vice Chair), Cllr K Wilkie
RFO Mrs G Robinson

The Clerk advised that the meeting was quorate with three members present. The current Vice Chairman, Cllr J Haxby agreed to act as Chairman for the meeting and thanked members for attending.

NOTICE OF THE MEETING

RESOLVED: That Public Notice of the meeting had been given in accordance with Schedule 12, para 10(2) of the Local Government Act 1972 **F381/014**

APOLOGIES

Cllr J Shackleton (holiday), Cllr J Meek (holiday) and Cllr R Walker (attending YLCA meeting) had sent their apologies to the meeting. It was

RESOLVED: That Cllr J Shackleton, Cllr J Meek and Cllr R Walker's apologies be accepted.

F382/014

DECLARATIONS OF INTEREST

The Chairman reminded members of the need to consider whether they needed to declare a disclosable pecuniary interest (DPI) or personal interest as detailed in Appendix A and Appendix B of the Town Council's Code of Conduct.

Cllr John Haxby declared a personal interest in any future items referring to the Town Council's Independent Financial Advisor due to him being his own personal financial advisor.

No further declarations of interest were declared in items on the agenda at this point but the Chairman informed Members that they could make a declaration of interest at any point during the meeting. It was

RESOLVED: That Cllr J Haxby's personal declaration of interest be noted.

F383/014

ELECTION OF CHAIRMAN

Cllr Haxby invited nominations for the position of Chairman and after discussion it was agreed to defer this decision until the next meeting when all members would be present. It was

RESOLVED: That election of Chairman of the Finance & General Purposes Committee for 2014/2015 be deferred until the next meeting.

F384/014

ELECTION OF VICE CHAIRMAN

It was proposed by Cllr S Bosomworth and duly seconded by Cllr K Wilkie that Cllr J Haxby be elected as Vice Chairman of the Finance & General Purposes Committee for 2014/2015. It was

RESOLVED: That Cllr J Haxby be elected Vice Chairman of the Finance & General Purposes Committee for 2014/2015.

F385/014

TERMS OF REFERENCE

Members had previously been circulated with a copy of the Terms of Reference for the Finance & General Purposes Committee for acceptance. The RFO suggested that reference should be made for the committee to approve the Annual Investment Strategy which was adopted by the Town Council in 2013 and following discussion it was agreed that the following bullet point be included under the scope of the Committee.

- The Finance & General Purposes Committee to approve the Annual Investment Strategy for each financial year as prepared by the RFO for recommendation to full council

RESOLVED: That a recommendation be made to full council that the Finance & General Purposes Committee's Terms of Reference with the inclusion of the above bullet point be accepted for 2014/2015

F386/014

REVIEW OF INVESTMENT BOND

Members had previously been circulated with a portfolio valuation as at 31 March 2014 for consideration and it was noted that there had been a slight increase in the overall portfolio valuation since the previous quarter and that the property fund was still suspended. The RFO updated members on the request sent to the Financial Compensation Scheme. After discussion it was

RESOLVED: That the Investment Bond valuation report as at 31 March 2014 be accepted.

F387/014

Continued overleaf

INTERNAL AUDIT REPORT – YEAR END ACCOUNTS 2013/2014

The RFO had previously circulated to Members a detailed copy of the Internal Auditor's final report for the Year End 2013/2014. The Internal Audit report was very satisfactory and gave detailed information on all areas covered by the Internal Auditor and highlighted no areas for concern and no recommendations in the action plan. Members congratulated the RFO and all the admin team on the excellent internal audit report for the year end 2013/2014 and wished their thanks to be recorded. It was

RESOLVED: That a recommendation be made to full council that the Internal Auditor's Report for the Year End Accounts 2013/2014 be accepted. F388/014

RESOLVED: That thanks be recorded to the RFO and all the admin team in achieving a successful internal audit report. F389/014

YEAR END BUDGET STATEMENT 2013/2014

Members had previously been circulated with a copy of the Year End Budget Statement for 2013/2014 together with a Year End Financial Report for 2013/2014 from the RFO. The RFO gave a full explanation of the Year End Financial Report and the Budget Statement and invited questions from members. The Budget Statement had been produced to show net income and expenditure figures and transfer values to and from reserves were shown separately. The RFO gave an explanation to members in relation to actual income which had exceeded expectation due to additional income being received for various projects and expenditure was far less than projected due to the Contingency Budget not being required and efficiency savings had been made on several budget headings. Members stated they were pleased with the overall year end budget statement for 2013/2014 which had enabled the General Fund Balance to be increased by £12,198.05 which was in line with external audit requirements. The RFO had also provided a list of the overall expenditure and the legal statutes which had been applied. After discussion it was

RESOLVED: That a recommendation be made to full council that the Year End Budget Statement for 2013/2014 and the Year End Financial Report for 2013/2014 from the RFO be accepted.

F390/014

STATEMENT OF ACCOUNTS 2013/2014 (Externally Unaudited)

Members had previously been circulated with the Income & Expenditure Account, Balance Sheet, Bank Reconciliation and related documents comprising the 2013/2014 Statement of Accounts which had been internally audited but had yet to be externally audited. The RFO explained how the council's reserves were represented on the Balance Sheet and the transfers which had been made in 2013/2014 between earmarked reserves. The RFO went on to state that the General Fund balance had increased from £70,702.50 to £82,900.55 and was in line with external audit requirements. After discussion it was

RESOLVED: That a recommendation be made to full council that the Statement of Accounts for 2013/2014 (Externally Unaudited) be accepted.

F391/014

ANNUAL AUDIT RETURN

The RFO had previously circulated to members a prepared Annual Return based upon the Statement of Accounts for 2013/2014. The RFO asked members of the committee to confirm whether they were in agreement with Section 1 – Accounting Statement and Section 2 Annual Governance Statement of the Annual Return which members considered and agreed questions 1-8 could be answered as YES and question 9 was not applicable. Members also noted Section 4 – Annual Internal Audit Report which all questions had been completed positively and signed by the Internal Auditor. It was

RESOLVED: That a recommendation be made to the full council meeting on 11 June 2014 that the Annual Return, Section 1 – Accounting Statement and Section 2 – Annual Governance Statement for the year ended 31 March 2013 as duly completed by the RFO be signed by the Chairman of the Council prior to the Annual Audit Return being submitted to the External Auditors. F392/014

INTERNAL AUDITOR 2014/2015

The RFO had previously circulated to members copies of a Specification and Terms of Reference (including detailed Control Objectives) for the Internal Audit of Filey Town Council for 2014/2015 by Mr D Latham, Internal Auditor. In line with the suggested standards for Internal Audit members considered that the content of the information supplied by the Internal Auditor was sufficiently detailed to meet the council's needs. The Internal Auditor's quotation fee for four quarterly audits was quoted as £425.00 per annum. After discussion Members were of the opinion that they wished to retain the services of Mr D Latham, Internal Auditor on a quarterly basis for 2014/2015 as per the Specification and Terms of Reference supplied. It was

RESOLVED: That a recommendation be made to full council that Mr David Latham be re-appointed as the Town Council's Internal Auditor for the year 2014/2015 as per the Specification and Terms of Reference supplied on a quarterly basis.

F393/014

REVIEW OF THE EFFECTIVENESS OF INTERNAL AUDIT

Members considered the council's responsibility to review the effectiveness of internal audit as detailed in the 'Practitioners Guide 2010 for Governance and Accountability for Local Councils'. Members of the Finance and General Purposes Committee have scrutinised the appointment of the internal auditor ensuring that a specification and clear terms of reference were submitted.

The internal auditor had provided control objectives for the following areas:

- Books of account have been properly kept
- Standing Orders and Financial regulations have been adopted and applied
- Payment Controls
- Risk Management
- Budgetary Control
- Income Controls
- Petty Cash
- Payroll Controls
- Asset Controls
- Bank reconciliations
- Year End Procedures
- Minutes

Members of the Finance and General Purposes Committee considered each of the expected standards of internal audit and the characteristics of 'effectiveness' and evidence of achievement for internal audit (copy completed internal audit review checklist attached). The Finance & General Purposes Committee have examined the competence of the internal auditor through quarterly substantial internal audit reporting which encompasses control objectives for the above areas and are assured that internal audit standards are effective and are being met by the internal auditor. It was

RESOLVED: That a recommendation be made to full council that the Finance and General Purposes Committee have conducted a review of the effectiveness of the council's system of internal audit and are completely satisfied that a suitable and effective system of internal audit is in place.

F394/014

Under Section 17 of the Crime and Disorder Act 1998, members considered that none of the above decisions would impact on crime and disorder.

The meeting closed at 8.35pm

Councillor J Haxby
Vice Chairman
Finance & General Purposes Committee