

FILEY TOWN COUNCIL
MINUTES OF THE FINANCE & GENERAL PURPOSES COMMITTEE
MEETING HELD ON WEDNESDAY 31 MAY 2017 AT 7.00PM

Present: Cllr J Shackleton (Chairman), Cllr J Haxby (Vice Chair), Cllr S Bosomworth,
Cllr J Meek, Cllr R Walker, Cllr K Wilkie
RFO Mrs G Robinson

The Chairman welcomed members of the Committee to the meeting.

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. F412/017

APOLOGIES

All members of the Finance & General Purposes Committee were present at the meeting. It was

RESOLVED: That the above information be noted. F413/017

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 S Bosomworth declared a pecuniary interest in any items relating to the Town Council's Internal Auditor as he was also the acting on behalf of the Filey Bay Today Magazine.

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 and in particular when discussing grant applications later in the meeting. It was

RESOLVED: That Cllr S Bosomworth's pecuniary declaration of interest be noted. F414/017

RESOLVED: That Cllr J Haxby's personal declaration of interest be noted. F415/017

ELECTION OF CHAIRMAN

It was proposed by Cllr S Bosomworth and duly seconded by Cllr J Haxby that Cllr J Shackleton be elected as Chairman of the Finance & General Purposes Committee for 2017/2018. It was

RESOLVED: That Cllr J Shackleton be elected Chairman of the Finance & General Purposes Committee for 2017/2018. F416/017

ELECTION OF VICE CHAIRMAN

It was proposed by Cllr J Meek and duly seconded by Cllr S Bosomworth that Cllr J Haxby be elected as Vice Chairman of the Finance & General Purposes Committee for 2017/2018. It was

RESOLVED: That Cllr J Haxby be elected Vice Chairman of the Finance & General Purposes Committee for 2017/2018. F417/017

TERMS OF REFERENCE

Members had previously been circulated with a copy of the Terms of Reference for the Finance & General Purposes Committee for review and acceptance. It was

RESOLVED: That a recommendation be made to full council that the Finance & General Purposes Committee's Terms of Reference be accepted for 2017/2018. F418/017

INTERNAL AUDIT REPORT – YEAR END ACCOUNTS 2016/2017

Internal Audit Report – Year End Accounts 2016/2017

The RFO had previously circulated to Members a detailed copy of the Internal Auditor's final report for the Year End 2016/2017. The Internal Auditor made reference that the RFO wished to increase the Petty Cash Imprest from £100 to £200 due to the recent closure of Yorkshire Bank in Filey. The Internal Audit report was very satisfactory and gave detailed information on all control objective 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 2016/2017 and wished their thanks to be recorded. It was

RESOLVED: That the Petty Cash Imprest be increased from £100 to £200. F419/017

INTERNAL AUDIT REPORT – YEAR END ACCOUNTS 2016/2017 continued

Internal Audit Report – Year End Accounts 2016/2017 continued

RESOLVED: That a recommendation be made to full council that the Internal Auditor's Report for the Year End Accounts 2016/2017 be accepted.

F420/017

RESOLVED: That thanks be recorded to Mr D Latham, Internal Auditor for his comprehensive internal audit reports during 2016/2017.

F421/017

Statement 3 Internal Audit Report of the Annual Return

Members had previously been circulated with a copy of Statement 3 Internal Audit Report of the Annual Return which had been signed by the Internal Auditor. Members also noted that all questions had been completed positively and signed by the Internal Auditor on the Annual Internal Audit Report. It was

RESOLVED: That the above information be noted.

F422/017

YEAR END BUDGET STATEMENT 2016/2017

Year End Budget Statement 2016/2017

Members had previously been sent an electronic copy of the Year End Budget Statement for 2016/2017 from the RFO and copies were also circulated to members at the meeting and would be provided to all members of the Town Council. The RFO gave a full explanation of 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 had also provided a list of the overall expenditure and the legal statutes which had been applied. It was

RESOLVED: That a recommendation be made to full council that the transfers detailed on the Year End Budget Statement between earmarked reserves be accepted.

F423/017

RESOLVED: That a recommendation be made to full council that the Year End Budget Statement for 2016/2017 from the RFO be accepted.

F424/017

STATEMENT OF ACCOUNTS 2016/2017 (Externally Unaudited)

Year End Financial Report 2016/2017

Members had previously been circulated with a copy of the Year End Financial Report for 2016/2017 from the RFO and copies would be provided to all members of the Town Council. The RFO informed members that efficiency savings had been made on several budget headings and transfers to the Council's earmarked reserves to the value of £56,884.13 (this includes an amount of £38,405.67 from the surrender of the investment) as detailed on the budget statement for member's approval. Members stated they were satisfied with the overall year end budget statement for 2016/2017 and acknowledged a small increase in the General Fund Balance from £82,451.43 to £86,489.03. The General Fund Balance was in line with external audit requirements. The RFO had also attached a comprehensive report detailing all Filey Town Council reserves. After discussion it was

RESOLVED: That a recommendation be made to full council that the Year End Financial Report for 2016/2017 from the RFO be accepted.

F425/017

Statement of Accounts for the Year Ended 31 March 2017

Members had previously been circulated with the Income & Expenditure Account, Balance Sheet, Bank Reconciliation, List of Reserves and related documents comprising the 2016/2017 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 2016/2017 between earmarked reserves. After discussion it was

RESOLVED: That a recommendation be made to full council that the Statement of Accounts for 2016/2017 (Externally Unaudited) be accepted.

F426/017

ANNUAL AUDIT RETURN

The RFO had previously circulated to members a prepared Annual Return based upon the Statement of Accounts for 2016/2017. The RFO explained to members that external audit now required members to confirm Section 1 – Annual Governance Statement 2016/2017 first before they accepted Section 2 Accounting Statements 2016/2017. The Chairman asked members of the committee to confirm whether they were in agreement with Section 1 – Annual Governance Statement 2016/2017 of the Annual Return and read out each question with members all being in agreement that Questions 1-8 could be answered as YES and Question 9 (Trust funds) was not applicable.

ANNUAL AUDIT RETURN continued

It was noted that the positive response to this document gave assurance that the Town Council had addressed its responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. The Chairman then asked if members were in agreement that the figures detailed on Section 2 – Accounting Statements 2016/2017 of the Annual Return were correct and this was agreed by all members present. It was

RESOLVED: That a recommendation be made to the full council meeting on 14 June 2017 that the Annual Return, Section 1 – Accounting Governance Statement 2016/2017 for the year ended 31 March 2017 as duly completed by the RFO be approved and signed by the Chairman of the Council prior to the Annual Audit Return being submitted to the External Auditors. F427/017

RESOLVED: That a recommendation be made to the full council meeting on 14 June 2017 that the Annual Return, Section 2 – Accounting Statements 2016/2017 for the year ended 31 March 2017 as duly completed by the RFO be approved and signed by the Chairman of the Council prior to the Annual Audit Return being submitted to the External Auditors. F428/017

INTERNAL AUDITOR 2017/2018

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 2017/2018 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 £440.00 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 2017/2018 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 2017/2018 as per the Specification and Terms of Reference supplied. F429/017

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 2017 for Governance and Accountability for Local Councils'. Members of the Finance and General Purposes Committee had 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 conducted an Internal Audit Review and considered the expected standards and evidence of achievement in Part 1 Meeting Standards and considered the characteristics of effectiveness and evidence of achievement in Part 2 Characteristics of Effectiveness for internal audit and completed the internal audit review checklist. The members of 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. F430/017

BANK RECONCILIATIONS

Members had previously been circulated with copies of Bank Reconciliations for March 2017 and April 2017 which had been prepared by the RFO and had been reviewed by the Internal Auditor. Cllr J Shackleton as Chairman of the Finance and General Purposes Committee informed members that he had reviewed the Bank Reconciliations for this period and reported these had been signed by himself as being correct. It was

RESOLVED: That the Bank Reconciliations for March 2017 and April 2017 be accepted.

F431/017

REVIEW OF INVESTMENT BOND

Portfolio Valuation

Members had previously been circulated with a portfolio valuation as at 31 March 2017 for consideration thereon. The RFO read out a response from LCL International which stated it was not known when the final distribution would be paid for Premier Diversified Fund. It was

RESOLVED: That the Investment Bond valuation report as at 31 March 2017 be accepted.

F432/017

RESPONSIBLE FINANCIAL OFFICER

Members wished to place on record their thanks to Mrs Gina Robinson as the RFO for all the work she had accomplished in her role as the Town Council's RFO over the past 11½ years. It was

RESOLVED: That thanks be recorded to Mrs Gina Robinson, RFO.

F433/017

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 8.05pm.

Councillor J Shackleton
Chairman
Finance & General Purposes Committee