

FILEY TOWN COUNCIL

MINUTES OF THE FINANCE & GENERAL PURPOSES COMMITTEE
MEETING HELD 2 JUNE 2010 AT 7.30PM

Present: Cllr D Murton (in the Chair), Cllr Susan Bradney, Cllr P Bradney, Cllr S Cross,
Cllr J Haxby, Cllr R Walker
RFO Mrs G Robinson

Cllr Murton welcomed Cllr R Walker to the meeting as an ex-officio Member in his Office of Town Mayor.

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 **F404/010**

APOLOGIES

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

RESOLVED: That this information be noted. **F405/010**

DECLARATIONS OF INTEREST

No 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 it be noted no declarations of interest were declared. **F406/010**

ELECTION OF CHAIRMAN

It was proposed and duly seconded that Cllr D Murton be elected as Chairman of the Finance & General Purposes Committee for 2010/2011. It was

RESOLVED : That Cllr D Murton be elected Chairman of the Finance & General Purposes Committee for 2010/2011. **F407/010**

ELECTION OF VICE CHAIRMAN

It was proposed and duly seconded that Cllr J Haxby be elected as Vice Chairman of the Finance & General Purposes Committee for 2010/2011. It was

RESOLVED : That Cllr J Haxby be elected Vice Chairman of the Finance & General Purposes Committee for 2010/2011. **F408/010**

TERMS OF REFERENCE

Members had previously been circulated with a copy of the Terms of Reference for the Finance & General Purposes Committee. The RFO stated that a review of all council committee's Terms of Reference should be undertaken by each new committee at their first meeting after the Annual Council Meeting and asked for the committee's acceptance of the Terms of Reference. The RFO also suggested that the Terms of Reference be accepted as at present and be reviewed again following a review of the Financial Regulations once the Town Council's Standing Orders had been reviewed. However Cllr J Haxby proposed that a recommendation be made to full council to change one paragraph with immediate effect and this was duly supported as follows:

Remove the following paragraph:

- *The F & GP Committee to have delegated powers to monitor and review the council's investments in conjunction with the independent financial advisor and make any necessary recommendations to full council*

Insert the paragraph as follows:

- The RFO to have delegated powers to monitor, review and re-invest investments in conjunction and advised by the independent financial advisor.

It was

RESOLVED: That a recommendation be made to full council that the Finance & General Purposes Committee Terms of Reference be accepted for 2010/2011 with the amendment as detailed above. **F409/010**

Continued overleaf

INTERNAL AUDITOR 2010/2011

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 2010/2011 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 put forward quotations for both quarterly and a four monthly audit for members to consider as he was of the opinion that a four monthly option would not increase the level of risk to the Council and could result in a slight cost saving to the Town Council. The Internal Auditor's roles and responsibilities would be carried out on either a quarterly basis or a four monthly basis and at the conclusion of each period detailed internal audit reports would be supplied to the council with findings and recommendations. After discussion Members were of the opinion that they wished to retain the services of Mr D Latham, Internal Auditor on a quarterly basis 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 2010/2011 as per the Specification and Terms of Reference supplied on a quarterly basis. **F410/010**

REVIEW OF THE EFFECTIVENESS OF INTERNAL AUDIT

Members considered the council's responsibilities to review the effectiveness of internal audit as detailed in the 'Practitioners Guide 2008 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 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. The RFO stated that a training need for all members of the council to be made aware of their overall financial responsibilities had been highlighted in the Town Council's Training Statement of Intent and an analysis of training needs was currently being undertaken by the Council's Staffing Committee. All Members of the Finance & General Purposes Committee stated that they would welcome further training and the RFO agreed to source suitable training course for them in due course and this could probably be arranged via the Yorkshire Local Council Association. 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. **F411/010**

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 finished at 8.00pm

Councillor D G Murton
Chairman
Finance & General Purposes Committee