

FILEY TOWN COUNCIL

MINUTES OF THE FINANCE & GENERAL PURPOSES COMMITTEE MEETING HELD ON WEDNESDAY 25 MAY 2011 AT 7.00PM

Present: Cllr J Shackleton (Chairman), Cllr S Bosomworth, Cllr J Haxby, Cllr E Holden
RFO Mrs G Robinson

Also Present: Cllr T Willis

The Chairman welcomed everyone including newly appointed Cllr T Willis to sit in at 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 **F423/011**

APOLOGIES

Cllr R Walker had sent apologies to the meeting due to attending a civic engagement in his role as Town Mayor. It was

RESOLVED: That Cllr R Walker's apologies be accepted. **F424/011**

DECLARATIONS OF INTEREST

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. **F425/011**

REVIEW OF INVESTMENT BOND

Members had previously been circulated with a current valuation of the Investment Bond as at 31 March 2011 and noted that the policy gross value had decreased slightly. The RFO stated that the Independent Financial Advisor had made some investigations and whilst the recent switches to the fund were making positive progression the property fund was not yet on an upward turn. The Independent Financial Advisor is closely monitoring this investment on behalf of the Town Council. It was

RESOLVED: That the Investment Bond valuation report as at 31 March 2011 be accepted.

F426/011

REVIEW OF AUTHORISED SIGNATORIES FOR INVESTMENTS

The RFO made Members aware that since the change in Councillors following 5 May 2011 elections a review of the authorised signatories on the Town Council's investments needed to be undertaken.

Members considered the current signatories and authorised signatories as follows:

Alico Investment Bond – all four signatories to sign

Current signatories – Cllr Marion Wright, Cllr J Haxby, former Cllr D Murton who is no longer a Town Councillor and Mrs G Robinson (RFO)

RESOLVED: That a recommendation to full council be made that Cllr Marion Wright, Cllr John Haxby, Cllr John Shackleton and Mrs G Robinson (RFO) be the authorised signatories for the Alico Investment Bond. **F427/011**

Bank of Ireland (Fixed Term Deposit Account to 28.9.11) – all three signatories to sign

Current signatories – former Cllr S Cross, former Cllr D Murton (both are no longer Councillors) and Mrs G Robinson (RFO)

RESOLVED: That a recommendation to full council be made that Cllr John Shackleton, Cllr Susan Bosomworth and Mrs G Robinson (RFO) be the authorised signatories on the Bank of Ireland Fixed Term Deposit Account. **F428/011**

Investec Bank (Fixed Term Deposit Account to 18.8.11) – all four signatories to sign

Current signatories – Cllr R Walker, Cllr J Haxby, former Cllr D Murton who is no longer a Town Councillor and Mrs G Robinson (RFO).

RESOLVED: That a recommendation to full council be made that Cllr Richard Walker, Cllr John Haxby, Cllr John Shackleton and Mrs G Robinson (RFO) be the authorised signatories on the Investec Bank Fixed Term Deposit Account. **F429/011**

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INTERNAL AUDIT REPORT – YEAR END ACCOUNTS 2010/2011

The RFO had previously circulated to Members a detailed copy of the Internal Auditors final report for the Year End 2010/2011. 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. The Internal Auditor made reference to the following in an action plan which both items were identified as low priority.

- Owing to the change of V.A.T. rate on 1.1.11 the account is showing £16.48 as overstated in 2010/2011 and this should be adjusted in the financial year 2011/2012
- The National Saving Bank account should be submitted for updating re interest, any amount will be small or even negligible.

The Internal Auditor made comment that he was able to sign Section 4 (Internal Audit) of the External Audit Report that all control objectives were achieved during the year to a standard adequate to meet the needs of the Council and commented that overall the Council has good controls in place surrounding the financial and other systems, with appropriate books of account being properly managed throughout the year. The Internal Auditor's opinion with regard to adherence to Corporate Governance displayed by the Council is found to be high. Members congratulated the RFO on the excellent internal audit report for the year end 2010/2011 and wished their thanks to be recorded. It was

RESOLVED: That a recommendation be made to full council that the Internal Auditors Report for the Year End Accounts 2010/2011 be accepted. F430/011

YEAR END BUDGET STATEMENT 2010/2011

Members had previously been circulated with a copy of the Year End Budget Statement for 2010/2011 together with a Year End Financial Report for 2010/2011 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 for external audit purposes. The RFO gave an explanation to members in relation to actual income and expenditure which was compared with the planned budget and projections. After discussion it was

RESOLVED: That a recommendation be made to full council that the Year End Budget Statement for 2010/2011 and the Year End Report for 2010/2011 from the RFO be accepted. F431/011

STATEMENT OF ACCOUNTS 2010/2011 (Externally Unaudited)

Members had previously been circulated with the Income & Expenditure Account, Balance Sheet, Bank Reconciliation and related documents comprising the 2010/2011 Statement of Accounts which had been internally audited but had yet to be externally audited. The General Fund balance had increased from £38,484.16 to £43,437.02 mainly due to a grant of £1,000 being carried forward to 2011/2012, a contribution of £1,000 contribution towards admin costs from the Town Guide Working Party, additional room hire costs of £500 from a television production. The unspent Contingency Fund and Civic Reception Budgets totalling £5,750 in the General Fund were earmarked to be utilised for 2010/2011 if necessary. The RFO explained how the council's reserves were represented on the Balance Sheet. Cllr J Shackleton queried the level of income held in the Investment Fund Account and the RFO agreed that due to sufficient cash flow now being held in the General Fund Account further sums could possibly be invested in short time fixed term deposits and she agreed to investigate this further and bring back to the Committee. After discussion it was

RESOLVED: That a recommendation be made to full council that the Statement of Accounts for 2010/2011 (Externally Unaudited) be accepted. F432/011

ANNUAL AUDIT RETURN

The RFO had previously circulated to members a prepared Annual Return based upon the Statement of Accounts for 2010/2011. 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. 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 8 June 2011 that the Annual Return, Section 1 – Accounting Statement and Section 2 – Annual Governance Statement for the year ended 31 March 2011 as duly completed by the RFO be signed by the Chairman of the Council prior to submission to the External Auditors. F433/011

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INTERNAL AUDITOR 2011/2012

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 2011/2012 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 unchanged from 2010/2011. 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 2011/2012 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 2011/2012 as per the Specification and Terms of Reference supplied on a quarterly basis. **F434/011**

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 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 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 Member training plan has now been created and there was a need for new members of the council to be adequately trained and she would source suitable training course from the Yorkshire Local Councils 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. **F435/011**

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 7.55pm

Councillor J Shackleton
Chairman
Finance & General Purposes Committee