

Minutes of the Meeting of the **POLICY, FINANCE AND PERFORMANCE MANAGEMENT COMMITTEE** held at the Town Hall, Swanage on **WEDNESDAY, 17th FEBRUARY 2016** at 4.30 p.m.

PRESENT:- Councillor S. Poultney (Mayor) – Chairman.
Councillor J. Bishop
Councillor M. Bonfield
Councillor W. Trite
Councillor M. Whitwam (until 5.30 p.m.)

Also in attendance:-

Dr M. Ayres – Town Clerk
Mrs L. Burgess – Senior Administration & Finance Officer
Miss A. Spencer – Finance Officer

Mrs. R. Darkin-Miller – Internal Auditor

Public Participation Time

There were no members of the public present at the meeting.

1. **APOLOGIES**

There were no apologies received for inability to attend the Meeting.

2. **DECLARATIONS OF INTEREST**

Members were invited to declare their interest under the Code of Conduct as defined by regulations made under section 30 (3) of the Localism Act 2011.

There were no declarations to record on this occasion.

3. **INTERNAL AUDIT REPORT 2015/16**

Mrs. Darkin-Miller presented her first two interim Internal Audit Reports for the year 2015/16, and explained the proposed recommendations and suggested actions to be taken.

Members noted that 18 recommendations had been made, and prioritised as one of high importance, eight of medium importance and nine of low importance.

Arising from the above, consideration was given to the level of fidelity insurance cover (currently £5m) held by the Council. It was noted that in accordance with the guidance contained in the Report, the level of fidelity insurance cover could be reduced to £3m. Following enquiries of the Council's insurers, it was reported that such a reduction in cover would not generate any significant cost saving.

It was therefore proposed by Councillor Bishop, seconded by the Town Mayor, and **RESOLVED UNANIMOUSLY:-**

That the level of fidelity insurance cover remains at £5m.

Consideration was also given to the timescale for the payment of invoices, and the purchase ordering system, both of which had been highlighted in the Internal Auditor's Report.

Following a brief discussion, it was **AGREED:-**

That, with the approval of the Internal Auditor, officers be given delegated authority regarding the timescale for the payment of invoices, and the purchase ordering system (subject to adherence to the Council's Financial Regulations)

Following detailed consideration of the Reports, it was proposed by Councillor Bishop, seconded by the Town Mayor, and **RESOLVED UNANIMOUSLY:-**

That the Reports and recommendations contained therein be accepted.

4. **REVIEW OF CORPORATE RISK REGISTER**

In line with the requirements of paragraph 2.104 of the *Practitioners' Guide*, detailed consideration was given to the Council's Corporate Risk Register. The register summarised the most significant risks faced by the Council in relation to achieving its objectives and priorities. The register also set out the control procedures in place to mitigate the risks, and identified any further action needed to manage the risks effectively. The following additions and amendments were raised during the discussion.

Financial Risks	
Car park revenue is below budget resulting in inability to fund Council's services	Review of pricing structure completed prior to budget setting for 2016/17 (TH3)
Contingent liabilities are realised, depleting general fund balance	In light of settlement of holiday park indemnity claim, reduce level of risk from medium to low
Inadequate arrangements for cash collection, handling and banking lead to financial loss and reduced general fund balance	Review of cash collection arrangements to be carried out prior to 31 st May 2016
Insurance cover inadequate leading to financial loss	Annual review to be completed February 2016 (TH1 & 3)
Fraud	Level of fidelity guarantee insurance reviewed by Policy, Finance & Performance Management Committee February 2016
Compliance Risks	
Councillors fail to comply with Model Code of Conduct	Training to be provided by Monitoring Officer, February 2016
Failure to comply with Procurement Strategy and EU procurement regulations	Procurement strategy document to be reviewed by 30 th September 2016 in light of Public Contracts Regulations 2015 (TH1)
Failure to comply with Standing Orders and Financial Regulations	New Financial Regulations and Standing Orders adopted April 2015. Review Financial Regulations in light of Public Contracts Regulations 2015 by 30 th September 2016 (TH1)
Add risk: Failure to comply with Transparency Code	To publish all data required by the regulations and review quarterly (TH1 & 2)
Strategic Risks	
Inadequate performance planning and monitoring arrangements to effectively deliver the Council's corporate priorities	Need to identify Council's key non-financial performance indicators during 2016/17 (TH1 and management team)
The Town Council does not adapt to meet the changing needs of the local population and reflect customers' expectations	Council to appoint a communications working party, February 2016
Failure to deliver projects due to poor project management	Review of seafront stabilisation scheme completed. Decision Logs to be kept in relation to each significant capital project, noting key

	decisions made, actions taken, and the reasons behind them
Operational Risks	
Failure to ensure the health, safety and welfare of Council employees and others affected by its activities	Operational risk assessments to be reviewed as a priority and introduce reporting of H & S matters to full Council (TH1, OPS1 and Operations Committee Chairman)
Unauthorised access to Council property leading to theft, unauthorised access to information and/or danger to staff	Review of security of Town Council buildings to be undertaken – consideration to be given to installation of CCTV (OPS1)

It was proposed by Councillor Poultney, seconded by Councillor Bonfield, and RESOLVED UNANIMOUSLY:-

TO RECOMMEND:

That the above amendments be incorporated in the Corporate Risk Register 2016/17.

Councillor Whitwam left the Meeting at 5.30 p.m.

5. **EXTERNAL AUDIT – ARRANGEMENTS FOR FUTURE YEARS**

Further to Minute No. 208 (a) ii) of the Council meeting held on 25th January 2016, the Clerk reported on further communications issued from DAPTC in the form of a letter sent from the Chairman of the Smaller Authorities' Audit Appointments Ltd. regarding external audit arrangements for future years. This provided clarity on the Council's legislative requirement concerning audit provision and the process that the Council could adopt in order to comply with the legislation.

It was AGREED:-

To confirm the Town Council's decision not to opt out of the SAAA scheme.

6. **BUDGET REPORT – INCOME AND EXPENDITURE ACCOUNT AND TREASURY REPORT 2015/16**

Consideration was given to a detailed report setting out the principal sources of the Town Council's income and expenditure.

Overall there was a surplus on the general fund of £484,111 at the end of the 3rd quarter of the 2015/16 financial year. This was £116,366 greater than budgeted for the period, with the main factors being due to the Council's investments and the continuing good performance of the LAMIT property fund, and the continued vacancies of several budgeted staffing posts.

At the end of the 3rd quarter an annual net surplus of £61,304 was being projected, against a budgeted surplus of £5,785 - a positive variance of £55,519. This surplus exceeded the expected out-turn when the budget/precept for 2016/17 was set due to the unlikelihood of expenditure on repairs and maintenance taking place prior to the year end.

The Budget Report and Council's financial activity was noted.

7. **CAPITAL PROGRAMME MONITORING REPORT**

The 3rd Quarter Monitoring Report of the Capital Programme 2015/16 was submitted for information.

It was reported that, further to Minute No. 185 (b) of the Council meeting held on 21st December 2015, detailed costings for the installation of a low cast iron chain link fence around the base of the war memorial had now been received in the sum of £45,000., which included a new path, plinth and lighting.

It was AGREED:-

To proceed with the installation of a low cast iron chain link fence around the base of the war memorial, as specified.

The Clerk then provided a brief update on matters relating to the changing facilities at Forres Field.

Other matters relating to the Capital Programme Monitoring Report were deferred for consideration at the next meeting of the Committee.

8. **INVESTMENTS**

Further to Minute No. 134 of the Council meeting held on 26th October 2015, the Clerk reported on advice received regarding the accounting treatment of Money Market Funds and Bonds.

In the absence of clarification from either JPAG (Joint Practitioners' Advisory Group) or the external auditor, Arlingclose (the Council's Treasury Management Advisers) had concluded that the treatment of MMFs should be that of a short term investment. The treatment of Bonds with a maturity of less than 1 year was also concluded to be short term.

It was agreed that without any further clarification or guidance from JPAG, the Council continues to treat these investments as short term investments for the purpose of the Annual Return. The final decision was delegated to officers.

9. **ITEMS OF INFORMATION AND MATTERS FOR FORTHCOMING AGENDAS**

- (a) Code of Conduct.
- (b) Pensions reform.

EXCLUSION OF PRESS AND PUBLIC

Proposed by the Town Mayor, seconded by Councillor Bonfield, and RESOLVED UNANIMOUSLY:-

That, under Standing Order No. 1) c), in the public interest, the press and public be excluded from the Meeting in view of the confidential nature of the business to be transacted under agenda items 10 and 11 (regarding legal matters and financial interests of third parties).

10. **REVIEW OF COUNCIL PRIORITIES AND PROJECTS**

Further to Minute No. 13 of the Policy, Finance and Performance Management Committee meeting held on 4th November 2015, an updated schedule of Council Priorities and Projects was submitted, for information.

In presenting the Report, the Town Clerk updated Members on outstanding issues, and also gave a brief summary of matters that had now been concluded.

11. **BAD DEBTS**

A schedule of outstanding accounts was submitted for consideration, together with verbal information regarding action taken for recovery of the debts.

It was proposed by the Town Mayor, seconded by Councillor Bishop, and RESOLVED UNANIMOUSLY:-

That two aged debts totalling £495.60 be written off.

12. **DATE OF NEXT MEETING**

In light of the lengthy agenda of this meeting, it was agreed that it was unlikely that the Committee would need to meet again on Wednesday, 9th March 2016, as scheduled. However, the date would be kept in reserve in case of any urgent business.

The meeting concluded at 6.30 p.m.
