

Minutes of the **FINANCE AND GOVERNANCE COMMITTEE**
held at the Town Hall, Swanage on **WEDNESDAY,**
15th MARCH 2023 at 9.30 a.m.

PRESENT:- Councillor T Foster (Town Mayor) – Chair

Councillor J Bishop
Councillor M Bonfield
Councillor A Harris
Councillor C Moreton
Councillor C Tomes
Councillor W Trite
Councillor M Whitwam

Also in attendance: -

Miss A Spencer Finance Manager

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

1. **APOLOGIES**

None.

2. **DECLARATIONS OF INTEREST**

Members were invited to declare their interests and consider any requests for Grants of Dispensations in accordance with Section 9 and Appendix B of the Council's Code of Conduct.

There were no declarations to record on this occasion.

3. **INTERNAL AUDITOR REPORT 2022/23 – VISIT 5 OF 6**

The fourth interim Internal Audit Report of the 2022/23 financial year prepared by Darkin-Miller – Chartered Accountants was submitted for information.

The following areas had been reviewed during the audit visit:-

- Risk Management - (work in progress)
- Budgetary Control
- Income (work in progress)
- Car parks income - completed
- Lease income – completed.

Two high, four medium and one low level recommendation had been made, with a further recommendation for information. The management response and implementation dates were noted.

Members discussed at length the recommendations made in the report and some concern was expressed at the manner in which the level of risk to the Council's operations had been presented. Members expressed a wish to discuss this matter with the internal auditor and to agree a format for future reporting. It was proposed by Councillor Moreton, seconded by Councillor Bonfield and AGREED UNANIMOUSLY:

That the fourth interim Internal Audit Report for the 2022/23 financial year be accepted and that the Town Clerk, Finance Manager and Councillor Bishop engage with the Internal Auditor to agree a reporting format and report back to a future meeting of the committee.

4. **UPDATE ON ACTION POINTS FROM INTERNAL AUDIT REPORT 2021/22**

Members reviewed the updates on the recommendations that had been made by the council's internal auditor in five Internal Audit reports issued relating to the 2021/22 financial year.

The status updates on the recommendations made in the five internal audit reports for 2021/22 were noted by Members.

5. **VAT ON LEISURE SERVICES - UPDATE**

The Finance Manager reported on a VAT Briefing note that had been issued by HMRC on 3rd March 2023. This related to a ruling that local authorities can treat the supply of leisure services, currently standard rated, as non-business.

The implications of this ruling were outlined, although it was stated that the VAT Briefing was vague on the definition of leisure services. It was noted that currently this would only affect prices charged for tennis and putting at Beach Gardens, along with any casual football pitch hire which was very limited.

Following a lengthy discussion, during which it was noted that the tariff signs for 2023/24 had already been printed, it was proposed by Councillor Tomes, seconded by Councillor Harris and RESOLVED UNANIMOUSLY:

To retain the gross charges for leisure services at the amount agreed by Council and published in the 2023/24 scale of fees and charges, subject to notification being displayed on site of the changes to VAT (the format of which is to be agreed by officers).

It was FURTHER AGREED:

To determine the charges for 2024/25 within the context of the charges being outside the scope of VAT.

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

The following matters were listed as matters for forthcoming agendas.

(a) **Medium Term Financial Strategy 2023/24 to 2025/26**

(b) **Ethical Investments – ESG Report** – It was noted that a report would be forthcoming.

(c) **Vexatious Correspondence Policy** – Members discussed the title of any future policy and it was noted that any such document should establish guidelines for the Council's response to persistent correspondence.

EXCLUSION OF PRESS AND PUBLIC

Proposed by Councillor Bishop, seconded by Councillor Bonfield and AGREED:-

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 item 7,8 and 9 (in relation to legal and financial matters).

7. **INTERNAL AUDITOR REPORT 2022/23 – VISIT 5 OF 6: CONFIDENTIAL FINDINGS**

Further to Agenda Item 3, consideration was given to an additional report issued by the Council's Internal Auditor for visit 5 of 6 with a recommendation regarding Car

Parking, which was noted as a high priority, confidential finding. The contents of the report were noted and accepted.

8. **SCHEDULE OF DEBTORS**

An aged debtors report dated 28th February 2023 was submitted for information. The Finance Manager requested an uplift in the Bad Debt Provision given the status of two debts, which had been reported to Council on a regular basis.

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

To increase the Bad Debt Provision by £20,000.

9. **INSURANCE CLAIMS UPDATE**

It was reported that one claim was currently active, this being a public liability claim.

10. **DATE OF NEXT MEETING**

The date of the next scheduled meeting was noted as 19th April 2023.

The meeting concluded at 10.15 a.m.
