

Honiton Town Council

Finance Committee

**Minutes of a Meeting of the Finance Committee held on 24th July 2017 at 7.00pm
at the Beehive, Dowell Street, Honiton**

Members Present

Cllr Henry Brown (Chairman)
Cllr John Zarczinski
Cllr Vera Howard
Cllr Roy Coombs (from 19:09)

In attendance

2 Members of the Public
Cllr. Sheila Edwards
Nick Randle (Acting Town Clerk.)

17/102 To receive apologies for absence

Apologies we received from Cllrs Kolek (P), Taylor(P) and McNalley (P)

17/103 To receive declarations of interest in items on the agenda

No Interests were declared

The meeting went out of session to consider questions from Members of the public

17/104 Mr Nix asked a question about the disputed payments for room hire at the beehive. The Mayor explained that at an earlier meeting a working group had been established to look into room hire charges and that this would be raised with the Beehive management in due course.

The meeting went back into session

17/105 To receive a report from the Acting Town Clerk on Current Financial Issues

The Acting Town Clerk gave a report on a large number of Financial issues that he had become aware of since he had come into post. These have arisen due to the extended absence of the Town Clerk and RFO at a time when the financial issues and decisions facing the council were extremely complex and controversial. The financial system had recently been changed and over a period of months four separate people had been involved in managing the council's finances. Some financial procedures had either decayed or fallen behind current best practice. Due to the declarations the Council was required to make during the annual return and year end accounting process, the number of issues raised by the internal auditor and the fact that there had been a formal challenge to the accounts by a former Councillor, he felt it likely that the Council could face a full review by the external auditors. He believed that it was important to put in place actions to address these issues so that the Council could demonstrate awareness of the situation and that it had a recovery plan in place. Each action was reviewed by the committee.

It was resolved to accept the recommendations made with the following amendments:-

- a) **The bank mandate** issue would be discussed at the Council AwayDay on 2nd August and a decision ratified by full council on 14th August
- b) On the issue of the **payments in connection with the Market** the Acting Town clerk had been informed that the Police felt unable to proceed due to insufficient evidence. However the Mayor had spoken to the local police inspector and had been informed the case would be subject to review and was therefore still ongoing. He felt, and the committee agreed, that council could only consider its position once the police case had been decided.
- c) On the dispute with the Bailey Partnership, project managers of the Beehive, specific action was agreed at minute 17/107 below.

17/106 To Review Financial Regulations

The Acting Town Clerk set out a proposed revised set of Financial regulations based on the 2016 Model Financial Regulations arising from the Accounts and Audit regulations for Town and Parish Councils in England. He proposed that the model was adopted as written but with the specific limits either reflecting the current position in the old regulations or updated to reflect a proper balance between control and managerial effectiveness.

The specific amounts were reviewed and agreed mostly by a majority of 3 to 1. Cllr Coombs expressed a concern that limits should generally be set at lower levels to emphasise control.

It was resolved to recommend to Full Council that the proposed regulations be adopted with the following amendments:-

Paragraph 1.5 to be amended to read *“At least once a year, prior to approving the Annual Governance Statement, the council must review the effectiveness of its system of internal control which shall be in accordance with proper practices and it shall produce a statement on internal controls with its statement of accounts.*

Paragraph 14.2 to be amended to read. *No tangible moveable property shall be purchased or otherwise acquired, sold leased or otherwise disposed of, without the authority of the council, together with any other consents required by law, save where the estimated value of any one item of tangible moveable property does not exceed £250*

17/107 To consider a letter from Bailey Partnership in response to the Town Council's Request for a meeting in connection with The Beehive Complex Construction.

Bailey Partnership had declined to meet with the town council citing an earlier agreement by the Town Council to settle the final costs of the Beehive complex construction. Members felt that the issue with Bailey partnership was separate and that as the Town Council's appointed project managers they had failed to manage the project to the allocated budget as required by the contract.

It was resolved to write to Bailey Partnership once more requesting a meeting and if declined to consider potential legal action.

17/108 The meeting closed at 20:12