

HONITON TOWN COUNCIL
Finance Committee

Minutes of the meeting of the Finance Committee held 1st August 2016 7pm at the Hayward Room,
The Beehive, Dowell Street, Honiton

Members Present

St Michael's Ward

Cllr Luke Harvey-Ingram
Cllr David Perkins
Cllr John Taylor
Cllr Jackie Wadsworth

St Paul's Ward

Cllr Henry Brown (Chairman)
Cllr Graham Smith

In Attendance

Cllr Roy Coombs

Member(s) of Public	One
Mrs Chetna Jones	Town Clerk/RFO

16/35 Apologies for Absence

Apologies were received from Cllr Ashley Alder and Cllr Caroline Kolek.

16/36 Declarations of Interest

Cllr John Taylor – Indirect interest due to his legal case against the Town Council

16/37 Confidential Items

The Town Clerk advised that there were two items that contained confidential contractual information and the public should be excluded from discussions.

The Chairman declared the meeting out of session

16/38 Public questions

The Town Clerk advised that there were no public questions but that Cllr Coombs had raised a number of queries. The queries with responses:

Why are the Mayor's Charity Accounts included as part of HTC accounts?

What would have happened if the event despite all the hard work had made a loss?

Why despite Press reports that the event at the Deer Park made a profit is it seemingly showing a paper loss as ticket sales seem to have been excluded?

If ticket sales have been left out what other items, income or expenditure, may have been left out?

A full breakdown is available. The Town Council bank account is merely used to be able to pay funds in and make payments out. The RFO is not involved in any of the decisions made but is made aware of all anticipated expenditure as agreed by the Mayor and volunteers. It is my understanding that the group worked hard to keep costs down to ensure costs are kept to a minimum and if it was likely that ticket sales would not cover the expenditure the event would be cancelled at no cost. Under no circumstances has any money been hidden or left out.

What items of footpath maintenance was Dave Retter paid for? June list.

Footpath 22 – Oaklea end

Footpath 14 – repair to bottom board of stile

Ottery Moor Lane – strim area around seat

Tranfers fitted to signs at Footpath 19, 15 and 14

Waymarks fitted to footpath 15, 13 (Northcote Hill end), 13 (Acorns end)

Footpath 12 – replace post, handrails and wooden fence over stream

Footpath 23 – Dig and clear out ditch, clean sign

Signed Chair

8th August 2016

In addition, timber was ordered from Allan Bright & Son Timber Merchants to carry out the work and MNR mowers provided parts for the Town Council strimmer (Jet fit Head 4 line and flexible strips).

This work was identified by Cllr Coombs in a list given to the Deputy Clerk. The Town Clerk and Deputy Clerk reviewed the list and identified and prioritised work that the Town Council is responsible for before giving instructions to Mr Retter.

The Town Council is fortunate to have Mr Retter carry out the work especially as he does far more without charging the Council.

Were all computers replaced and if so why did a computer need repair out of warranty?

The market manager was provided a laptop over 5 years ago and this was not replaced when the office computers were replaced. When reviewing the IT needs the report had clearly highlighted that only office computers were being replaced and this had been agreed by the Council. I understand the Street Market Committee has raised the issue of a new laptop for the market manager but the Council did not take any action. The Town Clerk has offered the use of a computer in the office but as this was not convenient with the market manager, the offer was declined.

Is the Internal Auditor stating that the HTC accounts lack transparency and if so why has this happened?

The internal auditor was concerned as the Council, via the new style accounting report were agreeing to report balances that greatly differed to those as per prior annual returns and that this was going to be reflected in the Sage accounting system.

Why did the agenda state an item was attached for councillors only when presumably it meant committee members only?

Only committee members were sent a summons and required by law to receive all the information needed to make an informed decision. Non-members receive a copy as per the public as a matter of courtesy. If the concern was merely about the word used, this can easily be rectified. Cllr Harvey-Ingram proposed that the words Finance/Policy/Planning Committee member be used. This was agreed (1 against).

What item of footpath equipment was repaired by MNR Mowers? June list.

See above.

Why no report from the acting Internal Auditor regarding the Internal Auditor's advice to write off allowances paid to co-opted councillors over several years that he could have been expected to discover during audit.

There were no issues with members allowance this year and so nothing was reported. The Town Clerk did raise the concern regarding potential overpayments in the past and Mr Rose did say he would not expect any internal auditor to pick this up as this is not the role of the Auditor. What the Auditor looks for is that the correct amount (as defined by EDDC) was agreed by the Council and that the payment was processed through payroll. It is not their responsibility to check who was paid it.

The Chairman declared the meeting back in session

16/39 To discuss list of payments and receipts and to recommend approval to the Town Council

Concern was raised that the payments as listed on the list did not all appear on the reconciliation report. The Clerk confirmed that she would investigate this and report back prior to the Town Council meeting.

Concern was also raised that the reconciliation report showed too much information and made it confusing and would be simpler if only unmatched items were listed with the balance and any difference to the bank balance.

The Town Clerk/RFO confirmed that this was how it was done previously and was asked to change it following the last meeting. To now go back was not good practice as time was being wasted at public expense.

Cllr Perkins proposed that the reconciliation report be simplified and produced as per the standard format. This was seconded by Cllr Harvey-Ingram with 2 in favour, 1 against and 3 abstentions.

The Town Clerk suggested that the Committee consider amending the motion in order that those who had abstained could vote either for or against. The Committee decided that by abstaining the vote was in favour of "for" and the motion was carried.

a) [April \(Receipt of £128,531 and payment of £46,306\)](#)

Cllr G Smith proposed that the Committee recommended that the lists for April 2016 be approved by the Town Council at its meeting on 8th August. This was seconded by Cllr Harvey-Ingram and **the motion was carried** (1 against).

b) [May \(Receipt of £6,848 and payment of £15,355\)](#)

Cllr G Smith proposed that the Committee recommended that the lists for May 2016 be approved by the Town Council at its meeting on 8th August. This was seconded by Cllr Wadsworth and **the motion was carried** (1 against).

c) [June \(Receipt of £3,680 and payment of £22,972\)](#)

Cllr G Smith proposed that the Committee recommended that the lists for June 2016 be approved by the Town Council at its meeting on 8th August. This was seconded by Cllr Wadsworth and **the motion was carried** (1 against).

Cllr Taylor asked that it be noted that he was concerned that a family member of a councillor was receiving payment for temporary market cover and that he did not recollect this being approved by the Town Council.

16/40 To discuss and recommend approval to the Town Council Income and Expenditure for the first quarter to 30 June 2016

The following concerns were raised:

The income and expenditure in the first quarter has not been adjusted for 6 or 12 monthly amounts and the report used is not the accounting report as agreed by the Town Council.

Footnotes could be added to provide the explanations for 6 or 12 monthly figures.

The Town Clerk/RFO clarified that the accounting report was not used since the year-end internal audit as the report amended the figures in a way that was not suitable for Parish Council accounting.

Cllr Taylor proposed that the Council keep things simple and remain with the current reporting system. As there was no seconder the motion was not carried.

Cllr Perkins proposed that he prepare a financial reporting model to be used by the Town Clerk/RFO with assistance and guidance. This was seconded by Cllr Harvey-Ingram.

Concern was raised that there was a conflict of interest as a councillor would be directly involved in producing accounting reports to the Council.

The Chairman, Cllr Brown suggested an addendum which was that the model was to be approved by a recognised independent body familiar with Parish Council legislation before being utilised.

This addendum was agreed by both the proposer and seconder and **the motion was carried** unanimously.

Cllr Wadsworth proposed that the current income/expenditure report be recommended for approval by the Town Council. This was seconded by Cllr Perkins seconder and **the motion was carried** (1 against).

16/41 Bank Reconciliation

The bank reconciliation up to June 2016 was reviewed and noted as follows:

1200 Current Account

30/06/2016	Bank Balance	168,809.89
30/06/2016	Balance per Cashbook	168,809.89

1210 – Savings account

30/06/2016	Bank Balance	3,908.14
30/06/2016	Balance per Cashbook	3,908.14

1220 – Building Society Account

30/06/2016	Bank Balance	75,000
30/06/2016	Balance per Cashbook	75,000

Cllr Perkins proposed that each the reconciliation reports for April, May and June be agreed as reconciling against the bank statements. This was seconded by Cllr Wadsworth and **was resolved** (1 against).

16/42 To review the Internal Auditor's recommendations and agree the Actions

Cllr Brown proposed that all the recommendations and actions be agreed. This was seconded by Cllr Harvey-Ingram and **was resolved** (1 against).

Cllr Perkins asked that it be noted that in his opinion that statutory Annual Accounting statement as agreed by the Internal Auditor was incorrect.

16/43 To review the recommendations of the external Auditor Grant Thornton

A report was unavailable.

16/44 To agree the Christmas Lights Expenditure

Cllr Perkins proposed that the Finance Committee recommends that the Town Clerk be given delegated authority to purchase, store and insure lights as suggested by the Lights Committee up to the value of £9,105.80. This was seconded by Cllr Harvey-Ingram and the motion was carried unanimously.

16/45 Exclusion of the Public

IT WAS RESOLVED that the classification given to the documents to be submitted to the Finance Committee be confirmed; there was two items which the Town Clerk recommended should be dealt with in Part B.

It was agreed that Cllr Coombs be allowed to remain for this part of the meeting.

16/46 To review the costs to date with regards to the ongoing potential Judicial Review (to be tabled) and agree recommendations for approval by the Town Council**Reason for consideration in Part B:**

- 1) **Para 3 Schedule 12A Information relating to the finance or business affairs of any particular person**
- 2) **The report includes details of privileged information and details relating to an on-going legal case**

The Town Clerk confirmed that she had been advised that legal information should not be shared in public meetings including part b to avoid putting the Town Council at a disadvantage.

Cllr Harvey-Ingram proposed that Cllr Brown, as Chairman of Finance Committee be added to the group of councillors assisting the Town Clerk and Deputy Clerk in this matter and that all sensitive information be redacted from the Town Council accounting records until such time that this matter is resolved. This was seconded by Cllr Graham Smith and the motion was carried.

16/47 To discuss and recommend overtime payment for additional hours in relation to the on-going legal matter.**Reason for consideration in Part B:**

1. **Para 3 Schedule 12A Information relating to the finance or business affairs of any particular person**
2. **The report includes details of sensitive information relating to an employee**

Cllr Harvey-Ingram proposed that the Finance Committee recommended to the Town Council that the staff be paid for overtime owed for work relating to the on-going legal case. This was seconded by Cllr Perkins and was agreed unanimously. **The motion was carried.**

16/48 Close of Meeting

The Chairman closed the meeting at 8.40pm.