

**HONITON TOWN COUNCIL**  
**Finance Committee**

Minutes of the meeting of the Finance Committee held 31<sup>st</sup> October 2016 7pm at the Hayward Room,  
The Beehive, Dowell Street, Honiton

**Members Present**

**St Michael's Ward**

Cllr Ashley Delasalle (previously Alder)  
Cllr Luke Harvey-Ingram  
Cllr David Perkins  
Cllr John Taylor  
Cllr Jackie Wadsworth

**St Paul's Ward**

Cllr Henry Brown (Chairman)  
Cllr Caroline Kolek  
Cllr V Howard  
Cllr Graham Smith

**In Attendance**

Cllr Roy Coombs  
Cllr S Edwards  
Cllr J Zarczynski

Member(s) of Public	None
Mrs Chetna Jones	Town Clerk/RFO

**16/49 Apologies for Absence**

No apologies were received

**16/50 Dispensations**

It was noted that the Town Clerk (as Proper Officer of the Town Council) granted Dispensations to all members of the Finance Committee for items relating to the budget and members allowance as the following applied:

“Without the dispensation the number of persons prohibited from participating in the particular business would be so great a proportion of the meeting transacting the business as to impede the transaction of the business”

**15/51 Declarations of Interest**

Cllr D Perkins – Director of Beehive Companies (P)  
Cllr Harvey-Ingram – Chairman of Youth Club (P)  
Cllr John Taylor – Items relating to the legal case against the Town Council (DPI)  
Cllr G Smith – maintenance work at Beehive (P)

**16/52 Confidential Items**

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

*The Chairman declared the meeting out of session*

**16/53 Public questions**

The Town Clerk advised that there were no public questions but that Cllr Edwards had wanted to make a statement.

Cllr Edwards statement included that she had in her view, concerns regarding the new income/expenditure report as it did not accurately reflect a correct balance sheet. Cllr Edwards highlighted the need for training not just for staff but also the Finance Committee on double entry accounting and how accounts should be prepared. Without this knowledge, the Council will face the same problems that the previous Council had when reviewing use of public funds.

The Chairman invited committee members to comment.

Cllr Perkins confirmed he agreed with Cllr Edward's statement and that the accounts were not accurate and that training was essential.

Cllr Taylor felt that this system was a well-established accounting package used by over 800 Parish Councils and so advice should be sought from them.

It was agreed that it was early days for using this system and one would expect a few teething problems and the RFO should address the issues with Rialtas. Furthermore the Council should wait to hear from Grant Thornton, the external auditors before reviewing.

#### **16/54 To review 1<sup>st</sup> Qtr figures reconcile with the bank statements up to 30<sup>th</sup> June 2016**

The meeting was adjourned for 5 minutes whilst the RFO obtained information and re-convened at 7.25pm.

Cllr G Smith proposed that the Finance Committee confirm that all payments as listed in the new system have been verified against the bank statement and the accounting system reconciled against the bank balance.

Bank Balance at 30 <sup>th</sup> June 2016	<b>£168,908.89</b>
Accounting System cashbook balance	£157,027.91
Unpresented cheques	£12,276.48
Receipts not banked/cleared (deduction)	£404.50
Adjustments (outstanding from previous year)	£9.00
Total Balance	<b>£168,908.89</b>
Savings Balance at 30 <sup>th</sup> June 2016	<b>£3,910.12</b>
Accounting system cashbook balance	<b>£3,910.12</b>
Nationwide savings at 30 <sup>th</sup> June 2016	<b>£75,000.00</b>
Accounting system cashbook balance	<b>£75,000.00</b>

This was seconded by Cllr Delasalle and was unanimously agreed.

#### **16/55 Recommendation of Payment lists for July – September 2016**

Payments Lists for July (£13,620.24), August (£4,701.88) and September (£56,344.34) were reviewed.

Cllr Perkins proposed that all payments lists be recommended for approval by the Town Council. This was seconded Cllr Wadsworth and agreed (1 abstention).

#### **16/56 To discuss and recommend approval to the Town Council Income and Expenditure for the second Quarter to 30 September 2016**

Cllr Perkins confirmed he did not agree with the income/expenditure report as it did not reflect a true position of the Town Council reserves.

It was agreed that more time should be given to enable the RFO to work with Rialtas to address any issues arising from the transfer from the old system to the new system using last year's closing balances.

Cllr Perkins proposed that the current income/expenditure report be noted and defer approving until the above issues are sorted This was seconded by Cllr Delasalle and **was agreed** unanimously.

#### **16/57 Bank Reconciliation**

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

**Lloyds Current Account (Jul 16)**

Bank Balance	<b>£146,311.75</b>
Cashbook	£145,064.67
Unpresented cheques	£238.08
Adjustments (outstanding from previous year)	£9.00
Total Balance	<b>£145311.75</b>

**Lloyds Savings Account**

Bank Balance	<b>£3,910.29</b>
Cashbook	<b>£3,910.29</b>

**Lloyds Current Account (Aug 16)**

Bank Balance	<b>£144,022.79</b>
Cashbook	£143,113.79
Unpresented cheques	£900
Adjustments (outstanding from previous year)	£9.00
Total Balance	<b>£144,022.79</b>

**Lloyds Savings Account**

Bank Balance	<b>£3,910.45</b>
Cashbook	<b>£3,910.45</b>

**Lloyds Current Account (Sept 16)**

Bank Balance	<b>£212,168.12</b>
Cashbook	£212,159.12
Adjustments (outstanding from previous year)	£9.00
Total Balance	<b>£212,168.12</b>

**Lloyds Savings Account**

Bank Balance	<b>£3,910.62</b>
Cashbook	<b>£3,910.62</b>

**Nationwide Savings Account**

This remained unchanged.	<b>£75,000.00</b>
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Cllr Kolek proposed that each the reconciliation reports for July, August and September be agreed as reconciling against the bank statements. This was seconded by Cllr Harvey-Ingram and **was resolved** (1 abstention).

**16/58 To review the recommendations of the external Auditor Grant Thornton**

*Cllr Wadsworth left the room.*

Cllr Taylor proposed to note that the report was still not available. This was seconded by Cllr Harvey-Ingram and agreed unanimously.

*Cllr Wadsworth returned to the room.*

**16/59 To review the Fixed Asset Register**

Cllr Coombs as a non-member raised concerns about the location of the Fern Seat and Red BT phone box as well the addition of the poles used for the flower planters.

The Chairman confirmed that only items where it was evidenced that the ownership was transferred could be included in the Fixed Asset Register.

Cllr Harvey-Ingram proposed that this item be postponed as further items needed to be added. This was seconded by Cllr Taylor and agreed unanimously.

#### **16/60 Members Allowance**

Cllr Coombs as a non-member stated that as the Town Council and East Devon District Council encouraged councillors to go paperless, the members allowance should be paid to cover these additional costs incurred by councillors when carrying out their duties as a councillor.

Cllr Taylor added that it should be made clear that the allowance was taxable and that the take home after tax was £4 per week.

Cllr Harvey-Ingram proposed that the recommended allowance of £305 (7% of East Devon District Council basic allowance) be approved the Town Council as well as adding the above explanation on the website. This was seconded by Cllr Delasalle and agreed unanimously.

#### **16/61 To review the Internal Auditor for 2016/17**

Cllr Coombs as a non-member felt that consideration should be given to some Committee members not being satisfied with the service of the temporary auditor used in June. Cllr Coombs added that he had no issues with the former auditor that the Council had used for several years.

The meeting was adjourned for 5 minutes whilst the RFO obtained information and re-convened at 8.33pm.

Cllr Kolek proposed to recommend that Ken Abraham of South and West Internal Audit be appointed as Internal Auditor under the terms specified in his letter dated 1<sup>st</sup> March 2016. A 10% variance was to be considered due to the delay in responding. This was seconded by Cllr Delasalle and was agreed (1 against).

#### **16/62 To consider [project proposals](#) to be included in the budget for next year, taking into account, anticipated income/expenditure against budget for the current year and make recommendations**

Cllr Coombs as a non-member asked that consideration be given to the Tollgates and the footbridge across the river Gissage. Cllr Coombs also confirmed that the red phone box on the High Street identified by BT as being withdrawn was incorrect.

Cllr Perkins proposed that the Finance Committee postpone this matter until after the Judicial Review outcome is known. This will require an extra-ordinary meeting in December to meet the deadline for agreeing the precept amount. This was seconded by Cllr Brown and the motion was carried (1 abstention).

*Cllr Brown confirmed that advice had been obtained from Devon Association of Local Councils regarding committees and non-committee member involvement in part B matters. This advice confirmed that non-members attended meetings in the same way as members of the public and information for councillors should be on a need to know basis. This decision was applied in accordance with the Wednesbury principles.*

*Cllr Taylor and Non-members of the Committee left the meeting.*

#### **16/63 Exclusion of the Public**

**16/64 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 Kolek and was agreed unanimously.

**16/65 To review the costs to date with regards to the ongoing potential Judicial Review 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**

Cllr Delasalle proposed that the costs relating to the Judicial Review be noted. This was seconded by Cllr Kolek and was agreed unanimously.

**16/66 Close of Meeting**

The Chairman closed the meeting at 9.05pm.