



MORECAMBE TOWN COUNCIL

You are hereby summoned to attend the meeting of Morecambe Town Council. Due to the Covid19 pandemic and related restrictions the meeting will be held remotely using the Zoom Cloud meetings application on

Thursday 7th May 2020 commencing at 7.00 p.m.

Members of the public wishing to attend the meeting may do so by contacting the Town Clerk who will provide information on how the meeting will be conducted and a secure password to access the meeting

AGENDA

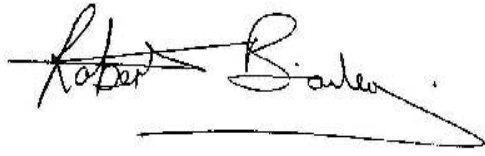
- 20042. **Apologies for Absence:** To receive apologies for absence
- 20043. **Declaration of Interests:** To receive declarations by Members of interests in respect of items on this Agenda. Members are reminded that, in accordance with the Localism Act 2011, they are required to declare any disclosable pecuniary interests which have not already been declared in the Council's Register of Interests. (It is a criminal offence not to declare a disclosable pecuniary interest either in the Register or at the meeting).
- 20044. **Chairman's Urgent Business:** To adopt the Remote Meetings Policy (see Agenda pack)
- 20045. **Minutes:** To agree signing of the draft Minutes of meeting held on Thursday 6th February 2020 and consider draft Minutes of the meeting held on 5th March 2020. Note no formal meeting of full Council was held in April due to the Coronavirus pandemic
- 20046. **Public Participation:** To adjourn the meeting for a period of public discussion.
- 20047. **Action Plan/ Record of decisions:** To approve action plan and record of decisions made since the coronavirus lockdown (see Agenda pack)
- 20048. **Internal Audit Report:** To consider Internal Audit Report (Interim) recommendations and determine next steps (see Agenda pack)
- 20049. **Environmental Committee:** To consider the report of the Environmental Committee held on March 16th 2020 (Committee Chair to report)
- 20050. **Payments List:** To consider payments for approval (To follow)
- 20051. **Social Media policy:** To consider and approve draft Social Media Policy (see Agenda pack)

20052. **Planning Applications, Temporary Road Closures** (including recommendations of the Planning Committee)

Application No:	Description & Site Address
20/00207/FUL	Erection of boundary fence – 13 Slyne Road, Morecambe LA4 6PB
20/00225/ADV	Advertisement application for the display of an internally illuminated wall mounted electronic advertisement screen – 130 Lancaster Road, Morecambe LA4 5QN
20/00230/VCN	Change of use of ground floor from property management and sales to mixed use sandwich shop & café – 10 Thornton Road, Morecambe LA4 5PB
20/00242/CU	Change of use of dwelling to self-contained bed flats – 44 Clarendon Road East, Morecambe LA4 4HT
20/00248/FUL	Re-rendering of front & side elevations; Installation of replacement windows & garage door; Installation of 1 rooflight; Removal of gate, gate post & wing wall and replace gate – Lord Street, Morecambe LA4 5HX
20/00337/FUL	Erection of a single storey side & rear extension – 4 Warley Drive, Morecambe LA3 3AP
20/00340/FUL	Demolition of existing garage & erection of a single storey building – 4 Buckingham Place, Morecambe LA3 1BQ
20/00355/FUL	Erection of a first-floor side extension & a single storey front elevation – 5 Park Crescent, Morecambe LA4 6AU
20/00359/FUL	Installation of telecommunications equipment comprising of 3 antenna support poles accommodating 3 antennas & 6 remote radio units at 20m above ground level on southeast and southwest elevations – Alhambra Buildings, Yorkshire Street East, Morecambe
20/00387/FUL	Erection of a single storey extension within existing internal courtyard & alterations to windows & doors – Gleneagles Drive, Morecambe LA4 5BN
20/00415/FUL	Change of use of ground floor shop to a one bed residential flat – 2 Morecambe Street West, Morecambe LA4 5HE
20/00420/FUL	Demolition of existing conservatory & erection of a single storey rear extension – 3 Victoria Parade, Morecambe LA4 5NX
Tree Preservation Order: Morecambe View Livery Stables, Out Moss Lane, Morecambe	

20053. **Planning decisions:** To consider decisions of Lancaster City Council's Planning Committee

20054. **Date of Next Meeting – Thursday 4th June commencing at 7pm.**

A handwritten signature in black ink, appearing to read 'Bob Bailey', with a long horizontal flourish extending to the right.

Bob Bailey, Town Clerk



MORECAMBE TOWN COUNCIL

DRAFT MINUTES of the Meeting of Morecambe Town Council held on Thursday

5th March 2020 at 7.00 p.m. at Morecambe Town Hall.

Present: Councillors: T. Anderson, P. Anderton, A. Ashworth, V. Boyd-Power, R. Cleet, T. Clarke, I. Clift, M. Evans, J. Firth, J. Goodwin, J. Hanson, P. Heath, C. Matthews, J. Newton, J. Pilling, M. Pattison, P. Ross-Clasper, D. Whitaker

Officers in Attendance: B. Bailey (Town Clerk)

There were seven residents in attendance at the meeting. The Vice-Chairman opened the Meeting by welcoming everybody present. She advised Members that Cllr Ashworth had stepped as Chair due to family commitments and then requested nominations for Chair, initially for the remainder of the municipal year 2019 – 2020.

Nominations were received for Cllrs Heath, Hanson and Matthews. Cllrs Heath and Hanson expressed a willingness to stand. Cllr Matthews thanked Members for the nomination but expressed a wish to continue as Vice Chair until the end of the Municipal year.

On being put to the vote, Cllr Hanson was elected as Chair for the remainder of the municipal year. Councillor Hanson thanked Members and duly took the Chair.

20032. **Apologies for Absence:** Apologies were received from Cllrs J Ashworth, J Bates, S Burns, R Dennison, G Dennison, D Jenkins, Mariusz Balcer and Mirka Balcer.

20033. **Declarations of Interests:** Town Councillors who serve on Lancaster City Council's planning committee declared an interest in agenda item 20040. Councillors Pattison and Ross-Clasper requested a dispensation on matters on the agenda due to their respective association as an elected County Councillor and Proprietor of a local guest house.

20034. **Chairman's Urgent Business:** There were no matters of urgent business from the Chair.

20035. **Minutes:** The Council considered the Minutes of the Meeting of the Town Council held on the 6th February 2020. Cllr Heath requested that the approved budget for 2020/21 be attached to the supporting papers on the Council's website.

Questions were raised relating to the motion proposed by Cllr Pilling around the independent audit of the Council's accounts for 2019/20 and previous years.

After some discussion and clarification, it was accepted that the Minutes reflected the outcome of the motion and the subsequent amendment.

Cllr Heath challenged why draft Minutes had been published before approval at the subsequent Town Council meeting. The Town Clerk advised that in accordance with the Transparency Code 2015 draft Minutes from formal meetings must be published not later than one month after the meeting has taken place and that this is recognised proper practice.

Cllr Heath then questioned reference to the Minutes of the Extraordinary Meeting of the Town Council, held on 17th January 2020 being made available in the 'public interest' in relation to the discussion of exempt agenda items. Cllr Heath was advised that this would be discussed as part of the Finance and Governance report later in the agenda.

Given the matters raised it was **RESOLVED** that the Minutes would not, at that time, be signed by the Chair.

20036. **Public Participation:** The Chair invited members of the public to speak. Three Members of the public spoke on the following matters:

- 1) Minutes of the Extraordinary meeting of 17th January 2020 and questioned the reason why these had been taken off the Town Council's website;
- 2) Funding of the promenade orchestra concerts by the Town Council of which there had now been over 50 in total and had been recognised nationally;
- 3) The opportunity for the Town Council to work together for the benefit of the whole community and a request that the Town Council runs an event to celebrate the success of local boxer, Tyson Fury

The Chair thanked all speakers for their contributions and advised that there would be further discussion on the Extraordinary Minutes, later in the meeting.

20037. **Finance & Governance Committee:** The Chair of the Committee, Cllr Evans, reported on the Minutes and recommendation arising from its meeting on 17th and 27th February 2020. The following actions and resolutions were reported:

- 1) The committee terms of reference were approved after reference to delegated authority had been removed at the request of Members;

- 2) A *Summary Report* of all receipts and payments against budget will be produced at the end of every quarter so that financial performance can be effectively monitored, informed decisions made, and remedial action taken as required;
- 3) The Finance and Governance Committee will review the Town Council's financial management and budget planning processes in line with best practice and legislation and makes recommendations to the Town Council for approval;
- 4) With the benefit of improved financial reporting and monitoring the Finance and Governance Committee will review in detail the 2020/21 budget with any recommended amendments being made in line with Standing Orders;
- 5) The Town Clerk had presented a comprehensive paper setting out ten financial and governance objectives that the appointed internal auditor would be expected to achieve to meet the requirements of the Accounts and Audit Regulations and proper practice. These will be the basis of a specification for internal audit services and three quotations will be sought;
- 6) The Committee recommends that the Town Council publishes the Minutes of the Extraordinary Meeting of the Town Council held on Friday 17th January 2020 to comply with standards of openness and transparency in the public interest;
- 7) The newly established Festivals Committee will consider applications for the funding of festivals in 2020/21 and make recommendations to the Finance and Governance committee;
- 8) Having considered the quotations and support documents received the Finance and Governance Committee's recommendation is that *Internal Audit Yorkshire* be appointed for the audit of the Council's accounts, governance and internal control arrangements for the year ending 31st March 2020 and that the option to audit the 2018/19 accounts be considered upon completion;

- 9) The Committee recommends that the Town Council approves the letter, drafted by the Town Clerk, to the Information Commissioners Office setting out that the Town Council will not be responding to the Freedom of Information Requests in accordance with Section 12 of the Freedom of Information Act on the basis that the cost of complying with the requests will exceed the statutory cost limit (£450) and place a significant administrative burden on the Council;
- 10) The Committee had considered in detail its governance responsibilities and agreed to build on the standards and principles needed to ensure that the Council fulfils its purpose and functions; achieves its outcomes for the benefit of the local community and operates in an effective, efficient and ethical manner. A range of responsibilities had been set out and the Committee recommends that the Town Council approves the suggested approach to systematically review these during 2020/21.

The Chair thanked and congratulated Cllr Evans on his clear and comprehensive report. After some comments and questions, it was **RESOLVED** that the report be noted and that all recommendations be approved. Cllr Cleet requested a vote that the Minutes of the Extraordinary meeting held on 17th January 2020 be published on the Council's website as soon as practicable. On being put to the vote it was passed unanimously (12 in favour and 3 against).

20038. **Payment's List:** Members considered the *payments list* to 29th February 2020, which included payment for the new computer upgrades and year-end contributions to Lancaster City Council relating to environmental enforcement and tackling anti-social behaviour. Total payments reported amounted to £31,329.90.

After some comments, it was **RESOLVED** that payments as set out be approved and authorised.

20039. **Planning decisions:** Members considered the up-to-date position on decisions of the planning authority (Lancaster City Council) on planning applications previously considered by the Town Council. It was noted that six planning applications had been permitted, one had been refused and two are awaiting a decision.

After some comments and discussion, it was **RESOLVED** that the up-to-date position on planning authority decisions on applications considered by the Town Council be noted.

20040. **Planning Applications, Temporary Road Closures and Planning Decisions:**

Councillors Anderton, A Ashworth, Boyd-Power, Goodwin, and Matthews left the meeting having declared an interest as Members of Lancaster City Council's Planning Committee.

Councillor Cleet (Planning Committee Chair) spoke to each of the following planning applications, reporting that the Planning Committee recommends that the Town Council supports them in principle.

Application No:	Description & Site Address
20/00174/FUL	Erection of a single storey extension to the front: 48 Broadway, Morecambe LA4 5XY Recommendation: Support in principle
20/00177/FUL	Erection of a single storey rear extension: 12 Thornton Crescent, Morecambe LA4 5PY Recommendation: Support in principle
20/00183/FUL	Erection of a single storey rear extension: 18 Marton Drive, Morecambe Recommendation: Support in principle

After some comments, it was **RESOLVED** that all planning applications be supported in principle. Councillors Anderton, A Ashworth, Boyd-Power, Goodwin, and Matthews returned to the meeting.

The Environmental Enforcement Officer then updated Members on the work that he had been doing in the last few weeks.

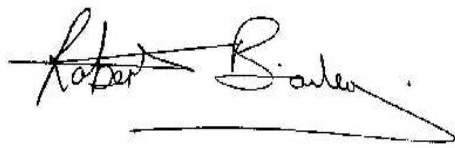
Several questions were asked and answers given to matters around litter and fly-tipping, enforcement and a request that the speed indicator device be moved from its current position to Battismore Road.

20041. **Date of Next Meeting:** The date if the next meeting is Thursday 2nd April 2020 at 7.00 p.m.

The meeting ended at 7:55pm

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Chairman

A handwritten signature in black ink, appearing to read "Robert Bailey". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Bob Bailey, Town Clerk

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MORECAMBE TOWN COUNCIL

Remote Meeting Policy

- 1) **Introduction: Morecambe Town Council** recognises the opportunities offered by meeting virtually in times that a physical meeting is not appropriate and has developed this policy to assist Councillors, officers, members of the public and press to understand how these meetings differ from a physical meeting and to assist people to engage in debate and decision making. The policy is to be delivered within '*The Local Authorities (Coronavirus) (Flexibility of Local Authority Meetings) (England) Regulations 2020*' currently enacted for meetings up to 7 May 2021 if necessary.
- 2) **Publishing the agenda and providing documents:** Councillors are to be summonsed in line with current regulations with the agenda and supporting documents being placed on the Council's website. No agendas will be published on physical noticeboards. Any person unable to access the Council's website must contact the Council and request an electronic copy of the agenda and documents to be forwarded as appropriate. In cases where documents originate from a third party electronic links will be provided where available.
- 3) **Virtual Meeting 'platform': Morecambe Town Council** will utilise Zoom Cloud to provide video communications. Zoom enables video and audio conferencing for persons using mobile devices and desktop personal computers. In preparation for the meeting the Clerk to the Council will provide Councillors with the:
 - Zoom meeting link;
 - Meeting ID, and:
 - Meeting passcode
- 4) **Standing Orders:** Standing Orders will be used to guide the meeting in a similar way as if persons were present at a meeting held at Morecambe Town Hall or other specified meeting place.
- 5) **Specific Virtual Meeting Arrangements**
 - a) **Discussions:** During the meeting all persons other than Council Members or officer will be muted. All Councillors attending the meeting will monitor their own background noise and mute their own microphones, except when speaking, to negate interference with the meeting
During the meeting Councillors and officers will raise their hand to indicate to the Chairman that they wish to speak on an agenda item. Councillors may also use the Chat facility in Zoom for the same purpose.

- b) **Voting:** All voting will be undertaken by a show of hands.
- c) **Poor connectivity:** In the case of poor connectivity the Chairman will decide whether to continue with the meeting or to reconvene.

In the case of video not being available for some or all of members attending the Chairman can choose to continue but to operate on a roll call for Vouncillor views on individual agenda items.

- d) **Attendance:** If a Councillor is believed to have 'dropped out' this will be Minuted. If 'drop outs' result in the meeting becoming inquorate members will endeavour to re-join for a period of 15 minutes. After 15 minutes, if the meeting is still inquorate, the Chairman will suspend the meeting and reconvene at a later time and date subject to the statutory days of notice. Councillors will be telephoned to advise of the suspension.

- 6) **Virtual Meeting Etiquette:** Normal Standing Orders apply with regard to Conduct at Meetings and all attendees are expected to be mindful of the difficulties people experience with regard to the operation of technology.

Behaviour that is contrary to the intended outcomes of the meeting will be dealt with at the discretion of the Chairman. For a member of the public or press this may result in them being dismissed from the Zoom meeting.

- 7) **Declaration of Interests:** A Councillor that has declared an interest that requires them to leave the meeting will be placed in the waiting room. On conclusion of the item for which the declaration is made the Councillor will be returned to the meeting

- 8) **Public Attendance and Participation:** Members of the public wishing to attend the virtual meeting must inform the Town Clerk, who will arrange to send the Zoom meeting link and access details not less than two hours prior to the meeting.

During the public participation period members of the public will be required to 'enable video' to be visible to the Chairman and will raise their hand to indicate that they wish to speak.

Their microphone will then be unmuted, and they can address the meeting. Following the conclusion of their address the microphone will be muted and their video switched off.

Standing Orders in relation to public participation will be followed as if persons were present.

- 9) **Confidential Matters:** Confidential matters will be dealt with through a separate Zoom meeting that is available to Councillors only. On conclusion of the non-confidential matters on an agenda the meeting will be suspended for Councillors to re-join using the confidential zoom meeting link that will have been provided to Councillors only.
- 10) **Recording:** Zoom meetings will be recorded and made available to Councillors, the press and members of the public.
- 11) **Information:** The chat view box on the Zoom meeting will be disabled, except for the sharing of additional information by the Town Clerk or as directed.

Policy adopted 2020

For further information see The Local Authorities (Coronavirus) (Flexibility of Local Authority Meetings) (England) Regulations 2020

<http://www.legislation.gov.uk/uksi/2020/392/contents/made>

Action Plan / Record of decisions

Council/Committee	Activity	Resolution	Notes	Status	Due Date	Priority	Owner
Morecambe Town Council	Establish a specific scheme of delegation for the period of the Coronavirus outbreak	For the period of the Coronavirus lockdown meetings be held remotely and decisions relating to the Covid19 crisis and operational matters – outside the scope of the Town Clerk’s delegated authority - will be delegated to Cllrs Anderton, Evans; Hanson (Chair); Jenkins and Matthews (Vice-	All Councillors attending the remote meeting on 26/03/2020 unanimously agreed and this was confirmed by email. Weekly video-conferencing meetings will be held by the Covid19 Committee to the full Council meetings	Completed	31/03/20	High	All
Morecambe Town Council	Establish a specific scheme of delegation for the period of the Coronavirus outbreak	All decisions be recorded and reported to full Council at weekly full Council meetings to be held remotely in line with the Coronavirus Act 2020	All Councillors attending the remote meeting on 26/03/2020 unanimously agreed and this was confirmed by email. Weekly video-conferencing meetings will be held by the Covid19 Committee to the full Council meetings	Completed	31/03/20	High	All
Morecambe Town Council	Budget	A Covid19 Emergency Fund be established and set aside for the future needs of Morecambe Wards. The Funds to include the transfer of Ward Funds, Morecambe in Bloom Funds, Festival Funds and any other monies deemed as none essential	All Councillors attending the remote meeting on 26/03/2020 unanimously agreed and this was confirmed by email. Weekly video-conferencing meetings will be held by the Covid19 Committee prior to the full Council meetings. Members to note that expenditure from this fund will be in accordance with Section 137 of the LGA 1972 Act	Completed	31/03/20	High	All
Covid 19 Committee	Guidance on applying for funds from the Emergency fund to be drawn up and a statement posted on social media and the Town Council's website	Covid19 Committee to determine use of the Covid19 expenditure fund and criteria for any award of monies	Once establishes, full Council to be informed	Completed	30/04/20	High	Covic19 Committee
Covid 19 Committee	Consider the duties of the Environmental Enforcement officer	Members resolved that the services of the Environmental Enforcemnt Officer be offered to help with delivery of food parcels to vulnerable residents	Arrangements made with Lancaster City Council & Morecambe Food Bank for deliveries to be carried out	Completed	30/04/20	High	Cllr M Evans

Council/Committee	Activity	Resolution	Notes	Status	Due Date	Priority	Owner
Morecambe Town Council	New Bank mandate	New signatories on the bank account to Cllrs D Jenkins and C Matthews.	Existing and new signatories to sign new Mandate	Completed	30/04/2020	Medium	Town Clerk
Morecambe Town Council	Coronavirus Regulations 2020	Members considered the new regulations and resolved: that the annual parish meeting of the Town Council be cancelled; that the Chair continues until the next annual meeting at a date to be determined by the Town Council; that formal monthly meetings of the Town Council be held remotely until further notice, with members of the public allowed to attend under special conditions set out in Regulation 5(2) of the 2020 regulations	Town Clerk to make the necessary arrangements for the May meeting of the Town Council	Completed	30/04/20	High	Town Clerk
Morecambe Town Council	Risk Assessment		Produce a risk assessment for Covid19 period	In Progress	15/05/20	Medium	Town Clerk
Morecambe Town Council	Year end procedures		Town Clerk to work through year-end checklist and procedures	Completed	30/04/20	High	Town Clerk
Morecambe Town Council	Social Media Policy	Produce a Social Media Policy for consideration by Town Council .	Draft Social Media Policy to be presented at the May meeting of the Town Council	In Progress	31/05/20	Medium	Town Clerk
Morecambe Town Council	Small Business Rate Relief	Submit an application for Small Business Rate Relief	NNDR have advised that the public conveniences are not eligible for this fund	Completed	30/04/20	High	Town Clerk
Morecambe Town Council	Business Plan	Develop an annual business plan, involving all Members and Committees		Not started	31/03/21	Medium	All
Morecambe Town Council	Internal Audit	Internal Audit report to be formally presented at the remote meeting on 7th May. Implementation of recommendations in the Action Plan (34 In total) to be considered by Finance & Governance Committee and reported to full Council in June.	Members noted that the Internal Audit reported had been a thorough review of the Town Council's internal controls for the first half of the financial year with a follow up planned in May (subject to Covid19 restrictions). At a date to be agreed a governance checklist will also be	In Progress	30/06/20	High	All



Morecambe Town Council

Internal Audit Report [Interim]

Date of Interim Visit: 16 March 2020

Financial Year Ended: 31 March 2020

Prepared by: Internal Audit Yorkshire

Status: Final

Date Report Issued: 07 April 2020

This report must not be reproduced without the prior permission of Internal Audit Yorkshire ©

This internal audit report is based upon best practice guidelines set out in the Practitioners' Guide to Governance and Accountability for Local Authorities.

Internal audit is an on-going function, undertaken regularly throughout the financial year, to test the continuing existence and adequacy of the authority's internal controls. It results in an annual assurance report to members designed to improve effectiveness and efficiency of the activities and operating procedures under the authority's control. Managing the authority's internal controls is a day-to-day function of the authority's staff and management, and not the responsibility of internal audit.

Internal audit does not involve the detailed inspection of all records and transactions of an authority in order to detect error or fraud.

[Source 'Governance and Accountability for Small Authorities in England Practitioners Guide 2019']

1. Background

1.1 Authorities in England operate within a legal framework which provides them with the necessary statutory powers and authority to deliver local public services. Authorities and their clerks/chief executives/RFOs should always be aware of, and have regard to, the legal power they are exercising when deciding on any action including to spend public money.

1.2 The proper practices for smaller authorities (Town and Parish Council's) are included in the Governance and Accountability for Smaller Authorities [March 2019], a Practitioners Guide. Smaller authorities in England must complete an Annual Return and an Annual Governance Statement to the public. The Annual Return must be submitted to the external auditor within the statutory deadline of 30 June.

2. Purpose of Internal Audit

2.1 Internal auditing is an independent, objective assurance activity designed to improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

2.2 The purpose of internal audit is to review and report to the authority on whether its systems of financial and other internal controls over its activities and operating procedures are effective. The internal audit function must be independent from the management of the financial controls and procedures of the authority which are the subject of review. The person or persons carrying out internal audit must be competent to carry out the role in a way that meets the business needs of the authority.

2.3 The objectives for Internal Audit Yorkshire are to undertake a programme of work to help discharge the statutory internal audit responsibilities and form a judgement of the effectiveness of internal control arrangements during the financial year. Our objective going forward will be to follow up on our internal audit work completed and provide feedback to the Council on the effectiveness of new controls. The key systems and processes will range from:

- Proper book-keeping including the cash book; bank reconciliations
- Standing orders and financial regulations;
- Payment controls/petty cash; Income controls;
- Budgetary controls; Petty cash procedure;
- Payroll controls; Asset control;
- Year-end procedures; and risk management arrangements.

The list is not exhaustive and can vary from each authority who can agree a specific programme of work with its internal auditor provider each year.

3. Our Objectives and Programme of Work

3.4 Our programme of cover has been designed to afford reasonable assurance that the Councils financial systems are robust and are operating in an effective manner and in compliance with the statutory legal framework.

3.5 Our work during this visit will contribute towards the judgements on the internal control objectives in the Annual Internal Audit Report which forms part of the Councils Annual Governance and Accountability Return which we will complete for the Council in May 2020.

4. Our Scope of Work During the Interim Visit

4.1 This report covers findings from the visit in March 2020. We covered the following areas:

- Book Keeping and Bank Reconciliations
- Standing Orders and Financial Regulations
- Payment Controls and Expenditure Testing
- Scheme of Delegation
- Charge Card
- VAT
- Risk Management Arrangements
- General Data Protection Regulations [GDPR]
- Back-up of Electronic Files
- Budgetary Controls and Financial Health
- Income Controls including the precept
- Petty Cash
- Payroll Controls
- Asset Management
- [Other Matters] Local Government Data Transparency Code 2015
- [General] Additional Comments/Recommendations

We would like to thank the Clerk Mr Bob Bailey for all his help and assistance during the audit.

5. FINDINGS

5.1 Book Keeping and Bank Reconciliations

OBJECTIVE:	To obtain assurance that the books of account have been properly kept throughout the year and that data input controls are accurate
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- 5.2 The Responsible Financial Officer [RFO] is responsible for the financial administration of the authority in accordance with section 151 of the Local Government Act 1972. The RFO determines on behalf of the authority the form of its accounting records and supporting records and its financial control systems. We have noted that the Town Council appointed an Acting Town Clerk and Responsible Financial Officer from the 01 September 2019 following the departure of the previous Clerk. The position of the Acting Clerk and Responsible Financial Officer was made permanent from the 07 November 2019.
- 5.3 The cash book is the main focus for the day-to-day accounting and balancing off and reconciliation to the bank statement, and remains the most important control over the accounting system. The Town Council uses a computerised accounting system Scribe. The Scribe system is a purpose-built data entry system for Town and Parish Councils and has the full capacity to input receipts and payments and assists in the preparation of the year end annual accounts.
- 5.4 An up to date cash book with the opening balances is essential because the statements provided by the bank will not necessarily be a reliable record of the Councils cash balances and therefore the Council may be required to refer to the cashbook instead. We checked the cashbook to confirm that the opening balances were entered into the cashbook correctly and agreed with the previous year's closing cash balances. We found that the year-end closing balances did not match with the opening balances entered onto the Scribe system.

5.5 After further discussions with the Clerk and on inspection of bank reconciliations from 01 April 2019 to December 2019 it appears that the previous Clerk may have been operating a manual accounts system using data from the Scribe Accounts System as we were unable to verify detailed reconciliation statements with the data from the Scribe system.

5.6 The arithmetic of the accounting data had not been entered correctly which did not enable the scribe system to automatically produce the month end bank reconciliation but it appears the system was calculating the totals which enabled the Clerk to carry out some form of reconciliation that was being presented to full Council on a regular basis. We have been informed by the incumbent Clerk that the Scribe system had malfunctioned in some way which may have led to these errors; however, we do not have a full explanation to understand why the system was being operated in this manner or why the issues within the system had not been reported to the Council. For example, the bank reconciliation statement dated 26 June 2019 that was considered at the full Council meeting on the 11 July 2019; showed a total bank balance of £301,017.13. We attempted to view the detailed reconciliation record from the accounting system which showed that at the 26 June 2019, although the total balances of £301,017.13 were correct, the Council was operating with two separate bank accounts. The total balance of the HSBC main account was £296,109.13 and the total of the Money Market Call account was £4,907.62 to equal £301,017.13. There had been no separate bank reconciliations carried out for these two accounts.

Recommendation 1: The previous year’s annual return figures must agree with the current year’s opening balances in the cash book; therefore, we recommend that the opening balances from 01 April 2019 are entered into the cashbook correctly to ensure it is up to date and records the Councils opening cash balances [We understand at the time of our visit, the Clerk had corrected the opening balances with Scribe support. We will verify this when we review the year end accounting statements].

Recommendation 2: Where the Council is operating with two separate bank accounts, a separate bank reconciliation should be performed and carried out for each account.

5.7 We were informed by the Clerk that some issues on the Scribe system had been rectified with Scribe support and that the system was now being used to produce bank reconciliations from February 2020. We inspected the bank reconciliation for February 2020 and found that although the statement balance reconciled with the bank statement, the bank reconciliation lacked a lot of detail, for example it did not record a breakdown of the unrepresented cheques, the bank account name of the account being reconciled, the bank statement number and the statement date of the reconciliation. A detailed bank reconciliation will enable members to carry out a verification against the bank statement.

5.8 We noted that although the bank reconciliation statements were reported to the full Town Council, some errors that were identified [see para 5.7 above] may have been picked up by members had a verification of the statements been carried out. Approval of the bank reconciliation by the authority or the chair of finance or another authority nominee is not only good practice but it is also a safeguard for the Responsible Financial Officer. We did note at the time of our visit, the Clerk had identified how a detailed reconciliation report could be printed off from the Scribe Accounting system.

Recommendation 3: That the Finance and Governance committee appoints a member, other than a cheque signatory to verify the bank reconciliation statements for all accounts (produced by the RFO), to be verified in the presence of committee members and formally minuted.

5.9 We carried out a bank reconciliation for January 2020 against the entries coded into the Scribe system and verification against the bank statement and found no errors or omissions. We then reviewed the bank reconciliation statement for 28 February 2020 and found that although the reconciliation was carried out correctly, the statement showed a total of £36,127.78 of uncleared cheques. This total included five transactions for the period of March that had been entered onto the system at the time the bank reconciliation was performed. The reconciliation did not show the Councils accurate financial position as at 28 February 2020 as it included unpresented cheques for the period of March. The Clerk has explained that the Scribe system includes all entries at the date which the reconciliation is performed. It is the view of internal audit that there should be greater control within the accounting system to eliminate the entries from the cashbook for the next month at the time which the current months bank reconciliation is carried out.

Recommendation 4: That the bank reconciliation statements should eliminate all entries for the next month with the exception of month 12 of the financial year, which should include all entries as at 31 March.

5.10 Standing Orders and Financial Regulations

OBJECTIVE:	To obtain assurance that Standing Orders, Financial Regulations and Appropriate payment controls (payments supported by invoices, expenditure is approved, VAT is correctly accounted for) are in place and are followed.
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5.11 Authorities are subject to a range of regulations, which can change more frequently than primary legislation. It is important, therefore, to be aware of new regulations that are issued as well as keeping up to date with the latest versions of existing ones. A review of the minutes confirmed that the Council initially adopted a set of Standing Orders on the 16th June 2011 and subsequently reviewed these on an annual basis for re-adoption. The latest review was carried out at the Annual General Meeting of the Council held on the 16th May 2019.

5.12 The Financial Regulations were initially adopted by the Council in June 2011 followed by annual reviews. The latest review was carried out at the Annual General Meeting of the Council held on 16 May 2019. The current Financial Regulations are out of date for example they refer to the Audit Commission Act 1998 which no longer exists and has been abolished. Financial Regulation 6.1 states 'All payments shall be effected by cheque, debit card or by BACS on the Council's bankers'. There are currently no detailed arrangements in place for setting up a bacs payment as defined within the new updated Financial Regulations.

5.13 Although the Standing Orders and Financial Regulations were reviewed on an annual basis, we noted that the review was not based on the latest model documents issued by the National Association of Local Councils [NALC]. The latest model documents of the Standing Orders and Financial Regulations were issued by NALC in July 2018. As referenced above [para 5.11] it is important that the Council adopts the latest model documents as they include the latest changes in legislation.

Recommendation 5: That the Standing Orders and Financial Regulations are reviewed to ensure that they are up to date in accordance with the latest National Association of Local Council [NALC] model documents and tailored to the Council as required.

5.14 Payment Controls and Expenditure Testing

- 5.15 The payments process should always be carried out in accordance with the authority's Financial Regulations. The Council is currently operating with electronic banking and ad-hoc cheque payments. Payments due are entered onto the Scribe accounting system and attached to an agenda pack. The payments schedule is then authorised by the Finance Committee and subsequently ratified by full Council. We noted that the Council did not appoint any committees until January 2020. All payments were therefore being presented to Full Council for authorisation. Whilst the Council have been making grant payments, we noted that there was no provision within the Financial Regulations to include expenditure for grants and ad-hoc projects. We noted that there was no delegation for committees to approve their own payments. Committee delegated budgets would be identified at the point the budget is approved by the Council or during the financial year in accordance with any delegation arrangements contained within a committees Terms of Reference.
- 5.16 We reviewed the payments schedule from April to October that was presented to Council. The schedule did not show the list of each individual transaction in voucher number or cheque number order. The schedule presented included a separate section for each budget with entries coded under the budget. This in our view would make it difficult for members to spot any errors or payments that could have been omitted from the schedule. The payments schedule did not allocate an authorisation reference for each individual transaction or have an adequate audit trail, such as an approved purchase order. From our discussions with the Clerk, the Scribe accounting system will be used to print off all future payment schedules presented to Council or Committee.
- 5.17 Financial Regulation 6.3 enables the Clerk to take all steps to settle the invoices. However, we noted payments are held back until the authorisation of the payments schedule by Council or Committee. The RFO then sets up the banking payments which are authorised by two of the four bank signatories for payment. We inspected the books and the invoices. On the face of the invoices, there is no reference to state that the invoices have been certified for payment by the RFO in accordance with Financial Regulation 6.2 and FR 10, there is no indication of an authorisation reference, no purchase order details or adequate audit trail, no details of the date the payment was made, the cheque or voucher number and the accounts system cost centre/code. We were unable to confirm from the review of the minutes if all expenditure transactions had been authorised in advance.

Recommendation 6: That an accounts audit stamp is used for all invoices to record details of the Certifying Officer, Authorisation Reference, PO Number, Cost Centre/Code, Date Paid, Cheque Number.

Recommendation 7: That the Council sets up a purchase order system and implements this into their financial practices as required in accordance with the Financial Regulations.

Recommendation 8: That all invoices indicate the authorisation minute reference or Financial Regulation reference that authorises the payment. That all invoices are accompanied by a purchase order [where applicable] or reference to a purchase order number, contract or Financial Regulation reference where payment is made on account or via a direct debit arrangement.

Recommendation 9: That improvements are made to the payments schedule presented to Council [or Committees] to include an authorisation reference column that confirms the authorisation of each individual payment and the power the Council is relying on to incur the expenditure [this will determine whether the payments are lawful and represent best value for money in accordance with FR 10.4]

- 5.18 We carried out a random spot check of transactions to confirm that the payments were made in accordance with the Financial Regulations. We found that whilst payments had been authorised by the Committee or Council, it was unclear if prior authorisation had been given before the expenditure was incurred. We found at least 3 cheque payments where the cheque book stubs had not been initialled by the cheque signatories. We found that where online banking transactions had been made, they were not supported by an audit trail documentation that could have been attached to the invoice to verify that the correct payment had been made. We reviewed a transaction for a grant payment and whilst the grant documentation was filed, there was no specific Council grant form which identified the sum of money requested from the applicant or the sum of money awarded by the Council.
- 5.19 We reviewed the Council Staffing minutes dated 3rd October 2019: Minute Reference 72 stated that 'It was resolved that the recommended independent specialist be appointed to deal with personnel issues with a limit of £10,000 in the relevant budget'. The appointment of the advisor did not follow the procurement process as set out in the Financial Regulations and an advisor was appointed at a cost of £4,500 + VAT. We were informed that the reasons for the appointment of this particular advisor [recommended by the principal authority] was to expediate an ongoing employment matter. The contract commenced on 14 October 2019 and ended on 31 October 2019 which included the preparation of a report. On inspection of the invoice, it did not state the detailed costs for the work and referred to 'professional fees'. We understand that the hourly rates ranged from £110 per hour to £185 per hour. Where the Council is directly involved in procurement, consideration should be given to obtaining the best value for money and the Financial Regulations must be followed at all times unless an exemption applies. In exceptional circumstances a Council may decide to suspend its Financial Regulations and in doing so the Council must demonstrate the reasons why and this should be supported by a robust business case and risk assessment.

Recommendation 10: Where online banking transactions are made, a receipt of the online payment should be attached to the invoice as verification that the correct payment is made [for audit purposes].

Recommendation 11: That a specific grant form is introduced by the Council which includes adequate terms and conditions for applicants and the maximum sum of money to be applied for with any supporting documentation as determined by the authority.

Recommendation 12: That the Council follows the Financial Regulations procurement process and obtains the necessary quotes for all future contracts exceeding £1,000 unless there is an exemption that has been applied in accordance with Financial Regulation 10.

5.20 Scheme of Delegation

- 5.21 Morecambe Town Council is a large authority with 26 elected members and a precept of £189,593.58. We would expect to see a Scheme of Delegation for Committees and Officers for an authority of this size that enables each delegated committee to be responsible for their committee

budget. A Scheme of Delegation would allow appropriate officers to make purchases up to approved limits without requiring specific prior approval from a committee. The Financial Regulations state 'Expenditure on revenue items may be incurred up to the amounts included for that class of expenditure in the approved budget'. It is unclear within the current regulations about the authority to spend.

- 5.22 A Scheme of Delegation would normally include each individual committees' terms of reference. Introducing such a scheme would allow officers to incur expenditure [within set limits] and speed up the payments process as each committee would be responsible for receiving and approving their own monthly schedule of payments that would normally include each transaction detailing the authorisation reference supported by a committee minute reference, Financial Regulation reference or a reference from the Scheme of Delegation.

Recommendation 13: That a Scheme of Delegation is introduced for Committees and Officers incorporating each individual committees' terms of reference.

5.23 Charge Card

- 5.24 The RFO explained that the Council does not operate with any form of a Charge Card. A Charge card would enable the Clerk/RFO to make purchases that cannot be made via the normal ordering process for example online purchases.

Recommendation 14: Where the Council introduces a charge card; we recommend that the operation of the charge card follows any requirements to be introduced into the Financial Regulations and that appropriate procedures are in place to manage their use. Procedures should include the limit of the cards, designated card holders and a process in place for cancellation in the event the card holder leaves.

5.25 VAT

- 5.26 The Council is not VAT registered. We were informed by the RFO that the Council has normally reclaimed VAT on an annual basis. At the time of our visit did not carry out detailed inspections of the VAT records, however we noted that two VAT refund entries had been recorded on the Scribe accounting system. We will carry out audit testing for VAT at our year-end visit.

5.27 Risk Management Arrangements

OBJECTIVE:	To obtain assurance that risk management arrangements are adequate to manage all identified risks.
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- 5.28 Risk management is the process whereby authorities methodically address the risks associated with what they do and the services which they provide. Risk management is an ongoing activity that comprises four elements: identifying risks; assessing risks; addressing risks; and reviewing and reporting. This is demonstrated by key documents the Council should have in place which include a Risk Assessment and a system of internal controls. This should be carried out by the authority at least on an annual basis or at any time the risk changes.
- 5.29 The Council does not have a system in place where it carries out a check of its internal controls.

The internal controls check should be carried out by the Council at least on an annual basis and separately documented and formally recorded in the Council minutes.

5.30 At the time of the audit, the RFO was unable to confirm what process the Council has previously applied to reviewing the risk register. The Clerk/RFO had anticipated that it was likely that the risk assessment would be presented to the full Council next month. We were unable to view a copy of the risk assessment document from the last financial year. We would expect to see the risk assessment to include all key risks facing the Council, evaluate potential consequences to the Council if an event identified as a risk takes place, decide upon appropriate measures to avoid, reduce or control the risk, record any conclusions reached and monitor any resulting risk mitigation plans.

5.31 The Councils Financial Regulations, section 17 refers to 'risk management policy' statements. From conversations with the Clerk/RFO we understand that the Council does not have a Risk Management Policy in place. We would recommend that a policy is introduced as it will assist both members and officers in the discharge of their responsibilities in compliance with the Financial Regulations.

Recommendation 15: That a Risk Management Policy is introduced and adopted by the Council. The policy should outline processes involved in regards to risk assessments and the Councils internal controls procedure and responsibility for implementing the policy.

Recommendation 16: That the Council carries out an annual review of the risk assessment before the 31 March 2020 to include all key risks facing the Council and controls in place to reduce the level of risk.

5.32 The insurance policy was reviewed. The main insurable risks of public liability, employer's liability and fidelity guarantee are in place. The asset register value was recorded as £63,376.94 at 31 March 2019. On inspection of the insurance documents, a list of specific council assets was insured at the total value of £52,740.92. The Clerk/RFO was unable to confirm when a review of the asset register against the insurance policy had been carried out. Further information relating to the asset register is referenced at section 5.57 within this report.

Recommendation 17: That the Councils insurers are provided with a copy of the updated asset register and that the assets with the latest replacement values are insured [see section 5.57]

5.33 General Data Protection Regulations [GDPR]

5.34 The General Data Protection Regulations came into force on the 25 May 2018. Due to the financial risk associated with the new Data Protection Regulations, Data Protection forms part of the Councils Risk Assessment. We understand that due to the significant staffing changes, the Council has been unable to introduce the new GDPR policies relevant to the authority.

Recommendation 18: That the Council introduces policies relevant to the authority to comply with the General Data Protection Regulations. The Society of the Local Council Clerks (SLCC) have a GDPR Checklist and model policies that the Council should consider adopting as required. Alternatively, the Council may wish to contact their local County Association for support.

5.35 Back-up of Electronic Files

5.36 Risk management arrangements include the back-up of the computer systems and files. We understand that the Council recently upgraded its IT systems and has reasonable arrangements in place for the loss of data. The office computer systems are linked to a laptop that shares the hard drive data that is transportable between both devices, which enables the user to access data from the laptop when it is used remotely at Council meetings or whilst the Clerk is working at home. There are arrangements in place for automated data back-ups via the Cloud. All IT arrangements are outsourced to a local company.

5.37 Budgetary Controls and Financial Health

OBJECTIVE:	Verify the annual precept request is the result of a proper budget process, that budget progress has been regularly monitored and the Councils reserves are appropriate.
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5.38 The preparation of an annual budget is one of the key statutory tasks to be undertaken by an authority, irrespective of its size. The budgets purpose is to assist the authority in setting the precept for the year, [subject to the authority's Financial Regulations] it gives the clerk and other officers overall authority to make spending commitments in accordance with the plans approved by members; and it provides a basis for monitoring progress during the year by comparing actual spending against planned spending.

5.39 Paragraph 5.9 of the Governance and Accountability Guide provides detailed information of each key stage and order the Council should consider in the budgeting process:

- decide the form and level of detail of the budget;
- review the current year budget and spending;
- determine the cost of spending plans;
- assess levels of income;
- bring together spending and income plans;
- provide for contingencies and consider the need for reserves;
- approve the budget;
- confirm the precept or rates and special levies; and
- review progress against the budget regularly throughout the year.

5.40 In setting the 2020/21 budget, the Council did not follow the process set out in the Financial Regulations or the guidance contained within the Governance and Accountability guide. The Council did not consider a budget based on realistic assessments on the actual cost of proposed plans and levels of expected income. Although town and parish councils are apolitical, we understand that from the 26 elected members; three different political groups presented their own budgets for consideration. Setting a budget based on historic expenditure allocations or working back to a specific figure/precept level prior to budget setting is not always appropriate. Information on actual level of income and expenditure, future plans and accurately predicated reserves are all needed to be used effectively to help support the budget process.

5.41 Despite the Scribe accounting system having the option of printing off the reports showing the variance of actual spend against the budget; the budget monitoring reports were not presented to Council during the financial year. The RFO has confirmed that going forward, these reports will be made available to Council (or each standing committee with a delegated budget) on a quarterly basis.

- 5.42 We were provided with a copy of the budget and considered the information that was available to us in the Council minutes. We were unable to ascertain what level of reserves if any had been retained by the Council. Part of the budgetary process is to ensure there is adequate but not excessive reserves or balances.
- 5.43 Due to the significant weaknesses identified in the budget process, we must answer 'No' to assertion D as the annual precept requirement did not result from an adequate budgetary process and progress against the budget was not regularly monitored and the reserves were not appropriate.

Recommendation 19: That the Council follows each stage of the budget process as referenced within the Governance and Accountability guide when it considers the budget setting for 2021/22. Each expenditure budget should be supported by accurate information and on realistic spending assumptions. Where the Council introduces new budgets or expenditure then it should be supported by a robust business case.

Recommendation 20: That the Council considers adopting a General Reserve policy, with the level appropriate to their size and situation and plan their budget so as to ensure that the adopted level is maintained. The recommended general reserve is between 3-6 months of net revenue expenditure.

Recommendation 21: That the Council (or each standing committee with a delegated budget) is provided with a budget monitoring statement on a quarterly basis.

5.44 Income Controls Including Precept

OBJECTIVE:	Obtain assurance that income controls are in place and operating effectively.
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- 5.45 The precept represented the largest income received by the Council. We tested the precept approved to confirm that it agreed to the authority notification and the money received and banked. We can confirm that the precept demand of £189,593.58 was received in one instalment on 09 April 2019.
- 5.46 In addition to the Council's precept, the authority receives small amounts of bank interest. From the 01 April 2020, no income is expected from the toilet's donations due to the decision of the Council to permanently close them.
- 5.47 Where there is a computer-based system, the reliability of information reported by the system depends on the quality and accuracy of data input, and how it is then processed, and so tests of the integrity of data input and processing are considered as part of internal audit testing. On the payments list produced by Scribe accounting software, we noted that the data income entries were not supported by a receipt number which is requested by the system. The receipt number would identify the transaction and link it to the underlying records of vouchers and receipts. It was difficult to differentiate which income had been deposited into the bank via bank transfer and which money had been physically paid into the bank. There was no physical evidence available of the paying in book to verify the transactions against the computerised receipts list.

5.48 Two income transactions related to overpayments made to staff that had been paid back into the accounts. The first payment was a duplicate salary made payable to the former Clerk/RFO and the second payment related to the Assistant Clerk.

Recommendation 22: That all income is supported by underlying audit records such as receipts and vouchers and that the hard copies are filed with the accounts.

Recommendation 23: That all income records correspond to the accounts receipt number reference, which identifies the paying in book receipt number as the reference or transaction type ie bank transfer.

Recommendation 24: That the Financial Regulations include arrangements for recovering overpayments made to third parties and follow up arrangements for reporting it to committee or Council.

5.49 Petty Cash

OBJECTIVE:	Petty Cash: Obtain assurance that income controls are in place and operating effectively.
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5.50 The Financial Regulations does not include any provision for a petty cash float. The Clerk/RFO did not think that the Council would benefit from having a petty cash float.

5.51 Payroll Controls

OBJECTIVE:	Obtain assurance that payroll costs are supported by employment contracts, expenditure is approved and PAYE/NIC is properly operated.
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5.52 The Council employs two postholders; the Clerk/RFO and the Assistant Clerk. As an employer the Council must operate PAYE/NIC [Pay as you earn; National Insurance Contributions].

5.53 The payroll is run in-house using an online cloud system 'Payroo'. The system automatically calculates Tax and NI contributions payable to HMRC. If the correct deduction is not made by the employer, HMRC has the right to seek the lost tax and contributions from the employer. We were informed that since September 2019, the calculations had not been reported to HMRC via the payroll system, however HMRC had received the payments due by the employer. On our final audit visit at year end, we would seek confirmation from HMRC or the Council that all outstanding liabilities have been paid correctly to HMRC with the supporting data. At the time of our visit, we were informed by the Clerk that the Council would be considering changing the payroll software to the HMRC Basic PAYE tools.

5.54 Salary payments to staff are made via bank transfer payable on the last day of the month. Once the payroll is complete, the reports are provided to members at full Council for approval. This includes any monies payable for overtime. We reviewed the payroll data against the staff contracts to confirm that the correct salary payments were made. Time sheets are only completed by the Assistant Clerk and not by the Clerk/RFO. All staff as a matter of good practice and routine should be completing time sheets that should be signed off on a weekly basis by the Clerk for the manager of all staff and by the Chair of the Council or Staffing Committee for the Clerk/RFO. Due to the absence of no time sheets completed by the Clerk/RFO, we could not carry out any testing to confirm that the overtime calculations were correct and had been authorised by the Council.

- 5.55 Contracts were reviewed for the two postholders, the Clerk/RFO and the Assistant Clerk. The contract for the Assistant Clerk had been drafted but not signed due to the postholder being off sick. We have noted that both employees are paid a fixed hourly rate which is termed as a 'spot salary'. The contracts were not based on the model contracts of employment issued by the National Association of Local Councils [NALC]. Salaries for staff are normally reviewed against the NJC pay scales for Local Government Employees. Where employees are normally contracted on a fixed salary scale [comprising of x incremental points]; there should be consideration for automatic incremental rises from the 01 April subject to an annual appraisal. Where employees are paid fixed hourly rates a 'spot salary'; it is recommended that the employer reviews the salary from the 01 April each year to account for any cost of living rises. Where the Council reviews any staffing salaries, we would expect to see a confirmation in the Council or Staffing minutes of the incremental rises paid to employees in accordance with the contracts of employment.
- 5.56 The Pensions Act 2008 requires all local councils to enrol 'eligible jobholders' into a qualifying pension scheme. Eligible jobholders are aged between 22 and state pension age and currently has earnings above the trigger amount of £10,000. The Department for Local Government and Communities view (agreed by NALC) is that the duty automatically applies to Local Councils for enrolling employees into a pension scheme. Automatic enrolments allow Councils to have an affordable pension scheme other than the Local Government Pension Scheme (LGPS). Eligible employees have the opportunity to opt out of any pension schemes offered by the employer. We understand that the Council is looking into setting up a Local Government Pension Scheme. Where the Council is considering any potential schemes, we recommend that the Council refers to the NALC legal topic note 79 on 'Staff Pensions' or alternatively seeks independent advice.

Recommendation 25: That all staff contracts are reviewed to ensure they are up to date and are approved by the Council and signed by the postholder. The Council should have regards to the NALC model contract of employment.

Recommendation 26: Where staff are employed on a fixed 'spot salary' consideration should be given to reviewing the salary on an annual basis to account for any cost of living rises from the 01 April each year. Alternatively, the Council may wish to transfer staff to a salary scale having regards to the NALC model contract of employment and the 'National Agreement on Salaries and Conditions of Service of Local Council Clerks in England and Wales 2004'.

Recommendation 27: That the Council considers a pension scheme for eligible jobholders in accordance with the Pensions Act 2008. The Council should have regards to the staff contract clauses that stipulate any pension provisions as this will assist the Council in determining what type of scheme is to be considered.

5.57 Asset Register

OBJECTIVE:	Obtain assurance that all material assets are accounted for correctly.
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- 5.58 An asset register is the starting point for any system of financial control over assets as it facilitates the effective physical control over assets; provides the information that enables the Council to make the most cost-effective use of its capital resources and ensures that no asset is overlooked or underutilised and is therefore used most efficiently. Most assets should be first recorded in the asset register at their actual purchase cost. In some cases, the purchase cost may not be known at

acquisition, therefore a nominal fee of £1.00 should be entered. The date of acquisition, location and disposal should be included within the asset register.

- 5.59 The start point is the asset register that has been agreed for the end of the previous financial year. The Financial Ledger should be reviewed for all purchases made during the year and updated accordingly. During the course of our audit we found that the Asset Register had not been updated since the last financial year. The Asset Register did not include a column within the register to indicate the replacement value for each individual asset. A replacement value within the Asset Register is normally used for insurance purposes to inform the insurers of Council assets replacement value of items and not the purchase price as per the Asset Register. We noted that the asset register did not have a reference number for each item or details of the custodian/responsible officer.
- 5.60 In compliance with Financial Regulation 14.3; the Council or the Finance Committee should have arrangements in place to ensure that an annual inspection of Asset Register items is carried out to ensure that all such items can be physically verified. Any assets which cannot be located should be removed from the Asset Register and recorded in the Schedule of Disposals. The Asset Register and Schedule of Disposals should be reviewed annually by the Finance Committee and then approved by the Council at the same time as the approval of the Annual Return.

Recommendation 28: That the Asset Register is updated to include all fixed assets purchased by the Council from the 01 April 2019 to 31 March 2020.

Recommendation 29: That improvements are made to the Asset Register to include a reference number for each individual item, the purchase cost, the replacement/insurance valuation, custodian/responsible officer and details of disposal (if applicable).

Recommendation 30: That the Council arranges an annual inspection of the asset register items to ensure that all items listed can be physical verified and subsequently reported to the Finance Committee or Council.

Recommendation 31: That the Council introduces an Asset Register Policy which outlines the procedure for updating and maintaining the register, and to include a particular method of asset valuation to be applied consistently from year to year in accordance with the recommended practices set out in the Governance and Accountability for smaller authorities. The method of asset valuation adopted should be set out within the policy approved by the Council and recorded in the minutes and in the asset register.

- 5.61 We will be reviewing the recommendations addressed in relation to the asset register during our final audit visit in May which will assist us to answer our internal audit assurance on the AGAR relating to the Council's fixed assets.

5.62 [Other Matters] Local Government Data Transparency Code 2015

- 5.63 The Council's website is a more important method of communication with residents as well as being part of the statutory requirement for the publication of Councillors register of interests, more frequently referred to as Disclosable Pecuniary Interests (DPI's) and the statutory requirement regarding the publication of the Annual Returns and the Transparency Code. This requires smaller authorities with a turnover below £25,000 per annum or over £200,000 to publish a lot more information on its website which came into effect from 1 April 2015. Agendas, Minutes and Meeting Documents must also be published within the timescales set by the Code.

- 5.64 Although Morecambe Town Council does not have to currently comply with the code due to the precept of £189,593.58 coming under £200,000; it is recommended good practice that the authority prepares itself to comply with the code as it's likely that the precept will increase over the next few years. Openness and transparency can assist in setting out the Councils commitment to engage with residents by encouraging them to become actively involved in decisions that affect them and the community, to deliver better services and to improve the quality of life of residents by creating a more active and informed community.

Recommendation 32: That the Council considers improvements to the Council website in preparation and in compliance with the Local Government Data Transparency Code.

6. [General] Additional Comments / Recommendations

- 6.1 Discussions were held with the Clerk regarding payments made to Morecambe BID. The payment from the Town Council had contributed towards the cost of planters at the promenade. These transactions fall outside of the current financial year that is subject to audit and therefore we could not carry out any testing. It is not the role of internal audit to detect any error or fraud, however we understand that this matter has been correctly referred to the relevant authority for further investigations, at the time of our visit.

Recommendation 33: That the Councils Financial Regulations include provisions for jointly funded projects: Where the Council is considering a contribution to a jointly funded project, then it must be subjected to a robust business case. Payments should only be made to jointly funded projects that fall outside of the grant criteria but within a committee's terms of reference.

- 6.2 We understand that there have been some concerns surrounding declarations of interests at Council meetings. All Councillors are legally bound to declare any pecuniary interests in accordance with the Localism Act 2011. Where officers have an interest in a Council contract then it should be declared to the authority in compliance with the Local Government Act, section 117 'Disclosure by officers of interest in contracts. Members and Officers who have a pecuniary interest should withdraw themselves from the decision-making process.

Recommendation 34: The Council should consider introducing an Officers Declarations of Interests Form to be completed by its employees and retained on file. As a matter of good practice, all Council agendas should include a dedicated agenda item for Officers to declare any interests in accordance with the Local Government Act Section 117.

- 6.3 The Clerk provided some background information relating to members concerns of alleged maladministration. The Council had considered commissioning an audit of all its financial transactions from 2015 to 2019. Should the Council wish to have an audit investigation of this nature, then it will need to be clear as to what are the terms of reference for the investigation before commissioning a contractor. Internal Audit Yorkshire can assist the Council with this piece of work and we would be happy to provide a quotation.
- 6.4 On a final point, we would like to acknowledge the challenges the Council and the new Clerk/RFO has faced in the last year. The Clerk/RFO is aware of the weaknesses in the current internal control

systems within the Council and we have been informed that improvement plans are being put into place to move the Council forward in a positive direction. Some of the improvement plans include an independent Governance Health Check audit which will review how well the Council is functioning in terms of its governance, and its operational framework. The Clerk is aware of the importance of addressing the recommendations contained within this report which Internal Audit Yorkshire will follow up during the 2020/21 financial year.

Recommendations Action Plan attached in Appendix document

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End of Report

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Interim Internal Audit Report 2019/20

Appendix [Action Plan]

No	Recommendation	Responsibility	Timescale
1	The previous year's annual return figures must agree with the current year's opening balances in the cash book; therefore, we recommend that the opening balances from 01 April 2019 are entered into the cashbook correctly to ensure it is up to date and records the Councils opening cash balances [We understand at the time of our visit, the Clerk had corrected the opening balances with Scribe support. We will verify this when we review the year end accounting statements].		
2	Where the Council is operating with two separate bank accounts, a separate bank reconciliation should be performed and carried out for each account.		
3	That the Finance and Governance committee appoints a member, other than a cheque signatory to verify the bank reconciliation statements for all accounts (produced by the RFO), to be verified in the presence of committee members and formally minuted.		
4	That the bank reconciliation statements should eliminate all entries for the next month with the exception of month 12 of the financial year, which should include all entries as at 31 March.		
5	That the Standing Orders and Financial Regulations are reviewed to ensure that they are up to date in accordance with the latest National Association of Local Council [NALC] model documents and tailored to the Council as required.		
6	That an accounts audit stamp is used for all invoices to record details of the Certifying Officer, Authorisation Reference, PO Number, Cost Centre/Code, Date Paid, Cheque Number.		
7	That the Council sets up a purchase order system and implements this into their financial practices as required in accordance with the Financial Regulations.		
	That all invoices indicate the authorisation minute reference or Financial Regulation reference that authorises the payment. That all invoices are accompanied by a purchase order [where applicable] or		

8	reference to a purchase order number, contract or Financial Regulation reference where payment is made on account or via a direct debit arrangement.		
9	That improvements are made to the payments schedule presented to Council [or Committees] to include an authorisation reference column that confirms the authorisation of each individual payment and the power the Council is relying on to incur the expenditure [this will determine whether the payments are lawful and represent best value for money in accordance with FR 10.4]		
10	Where online banking transactions are made, a receipt of the online payment should be attached to the invoice as verification that the correct payment is made [for audit purposes].		
11	That a specific grant form is introduced by the Council which includes adequate terms and conditions for applicants and the maximum sum of money to be applied for with any supporting documentation as determined by the authority.		
12	That the Council follows the Financial Regulations procurement process and obtains the necessary quotes for all future contracts exceeding £1,000 unless there is an exemption that has been applied in accordance with Financial Regulation 10.		
13	That a Scheme of Delegation is introduced for Committees and Officers incorporating each individual committees' terms of reference.		
14	Where the Council introduces a charge card; we recommend that the operation of the charge card follows any requirements to be introduced into the Financial Regulations and that appropriate procedures are in place to manage their use. Procedures should include the limit of the cards, designated card holders and a process in place for cancellation in the event the card holder leaves.		
15	That a Risk Management Policy is introduced and adopted by the Council. The policy should outline processes involved in regards to risk assessments and the Councils internal controls procedure and responsibility for implementing the policy.		
16	That the Council carries out an annual review of the risk assessment before the 31 March 2020 to include all key risks facing the Council and controls in place to reduce the level of risk.		
17	That the Councils insurers are provided with a copy of the updated asset register and that the assets with the latest replacement values are insured [see section 5.57]		

18	That the Council introduces policies relevant to the authority to comply with the General Data Protection Regulations. The Society of the Local Council Clerks (SLCC) have a GDPR Checklist and model policies that the Council should consider adopting as required. Alternatively, the Council may wish to contact their local County Association for support.		
19	That the Council follows each stage of the budget process as referenced within the Governance and Accountability guide when it considers the budget setting for 2021/22. Each expenditure budget should be supported by accurate information and on realistic spending assumptions. Where the Council introduces new budgets or expenditure then it should be supported by a robust business case.		
20	That the Council considers adopting a General Reserve policy, with the level appropriate to their size and situation and plan their budget so as to ensure that the adopted level is maintained. The recommended general reserve is between 3-6 months of net revenue expenditure.		
21	That the Council (or each standing committee with a delegated budget) is provided with a budget monitoring statement on a quarterly basis.		
22	That all income is supported by underlying audit records such as receipts and vouchers and that the hard copies are filed with the accounts.		
23	That all income records correspond to the accounts receipt number reference, which identifies the paying in book receipt number as the reference or transaction type ie bank transfer.		
24	That the Financial Regulations include arrangements for recovering overpayments made to third parties and follow up arrangements for reporting it to committee or Council.		
25	That all staff contracts are reviewed to ensure they are up to date and are approved by the Council and signed by the postholder. The Council should have regards to the NALC model contract of employment.		
26	Where staff are employed on a fixed 'spot salary' consideration should be given to reviewing the salary on an annual basis to account for any cost of living rises from the 01 April each year. Alternatively, the Council may wish to transfer staff to a salary scale having regards to the NALC model contract of employment and the 'National Agreement on Salaries and Conditions of Service of Local Council Clerks in England and Wales 2004'.		

27	That the Council considers a pension scheme for eligible jobholders in accordance with the Pensions Act 2008. The Council should have regards to the staff contract clauses that stipulate any pension provisions as this will assist the Council in determining what type of scheme is to be considered.		
28	That the Asset Register is updated to include all fixed assets purchased by the Council from the 01 April 2019 to 31 March 2020.		
29	That improvements are made to the Asset Register to include a reference number for each individual item, the purchase cost, the replacement/insurance valuation, custodian/responsible officer and details of disposal (if applicable).		
30	That the Council arranges an annual inspection of the asset register items to ensure that all items listed can be physical verified and subsequently reported to the Finance Committee or Council.		
31	That the Council introduces an Asset Register Policy which outlines the procedure for updating and maintaining the register, and to include a particular method of asset valuation to be applied consistently from year to year in accordance with the recommended practices set out in the Governance and Accountability for smaller authorities. The method of asset valuation adopted should be set out within the policy approved by the Council and recorded in the minutes and in the asset register.		
32	That the Council considers improvements to the Council website in preparation and in compliance with the Local Government Data Transparency Code.		
33	That the Councils Financial Regulations include provisions for jointly funded projects: Where the Council is considering a contribution to a jointly funded project, then it must be subjected to a robust business case. Payments should only be made to jointly funded projects that fall outside of the grant criteria but within a committee's terms of reference.		
34	The Council should consider introducing an Officers Declarations of Interests Form to be completed by its employees and retained on file. As a matter of good practice, all Council agendas should include a dedicated agenda item for Officers to declare any interests in accordance with the Local Government Act Section 117.		



MORECAMBE TOWN COUNCIL

Environmental Committee

Draft Minutes of meeting held on 16th March 2020 at 5:00pm in Committee Room 1 at Morecambe Town Hall

In attendance: Councillors Anderton; J Ashworth; Mirka Balcer; Bates; Boyd-Power; Cleet; Heath; Firth Matthews; Pattison; Ross-Clasper

- 1. Apologies for Absence:** Apologies were received from Councillor A. Ashworth
- 2. Declaration of Interests.** There were no declarations of interest in respect of items on this Agenda.
- 3. Election of Chairman and Vice- Chairman:** The Clerk informed Members that Councillor Boyd-Power has had to stand down as Chair of the Committee due to other commitments. The Clerk then asked for nominations for Chair. Councillor Boyd-Power proposed, and Councillor J Ashworth seconded that Councillor Matthews be elected Chair. On being put to the vote, this was carried unanimously.

Councillor Matthews then took the Chair and requested nominations for Vice-Chair. Councillor Heath proposed and Councillor Goodwin seconded that Councillor Firth be Vice-Chair, which when put to the vote was carried unanimously.

- 4. Ward Grants process and procedures:** The Chair reminded Members that the Town Council had approved a budget of £100,000 for Ward Grants. The allocation of these funds will be managed by this Committee and reported to full Council.

The main intention of the funds being to provide grant funding to support each Council Ward on environmental matters based on a set of criteria, yet to be determined. It was noted, however, that the escalating coronavirus pandemic is likely to have an impact on the Town Council's budget approved by Town Council in February.

Councillor Pattinson reported that the Festival and Events Committee had considered the applications for the 2020/21 festival funding and had agreed the allocation of the £30,000 budget set aside for this purpose. It was reported that, subject to Members approval, four applications had not been successful in receiving any festival funding but

had been assessed and reduced sums recommended for consideration by the Environmental Committee amounting to £8,750.

Notwithstanding the matters raised in relation to the coronavirus pandemic and festival funding, there was a discussion on how the Ward Grants funding could be applied for and allocated efficiently and equitably.

Several suggestions were made, including:

- a) specific areas of work and items of expenditure relating to environmental services and functions such as weed management, grass cutting and street cleansing
- b) allocation of funding by Ward based on number of electors and/or established need;
- c) direct collaboration with, and support of, community, faith and voluntary groups across all Wards, and;
- d) engagement with hard-to-reach groups

There followed a lengthy discussion on the mechanism for establishing how funding could be applied for and the possible criteria. After which it was **RESOLVED** that Councillors Matthews, Firth, Heath, Anderton and Pattison determine an approach for the application and allocation of Ward Grant funding and report back to the Environmental Committee.

- 5. Allotments update:** Councillor Cleet reported that and Councillors Boyd-Power and Ross-Clasper had represented the Town Council at meetings of the Allotments Committee. The meetings had been very positive, and the attendance of Ward Councillors has been appreciated.

It was reported that the Allotments Committee had submitted a planning application to build a community building following the, in principle, approval of the Town Council to build on the allotments site. Members were informed that, when complete, the building will be a real asset to the residents of Heyham North.

There followed a discussion on the whereabouts of the lease agreement with the Allotments Committee and this is to be investigated further.

- 6. Environmental Enforcement:** The Environmental; Enforcement Officer provided an update on recent actual and planned activities acting on behalf of Morecambe Town Council and in collaboration with Lancaster City Council.

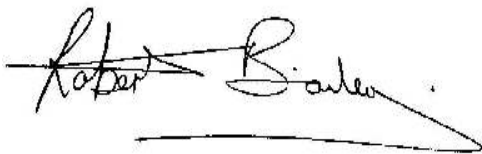
It was reported that between May and August the ban on dogs having access to the beach will be enforced and suitable signage will be procured jointly with Lancaster City Council for this purpose.

The Environmental Enforcement officer continues to work closely with his counterparts at Lancaster City Council and Police Community Support Officers to tackle litter, fly-tipping and anti-social behaviour. Members asked several questions about these activities and thanked the Environmental Enforcement Officer for the work that he is doing on behalf of Morecambe Town Council.

At this point, Councillor Boyd-Power asked about plans for the 2020 Morecambe in Bloom Competition, the management of which is now incorporated within the Terms of Reference of the Environmental Committee.

There followed a general discussion about the arrangements for this year's competition, although it was noted that this is likely to be affected by the coronavirus pandemic.

- 7. Date of Next Meeting:** To be confirmed by the Town Clerk. The meeting ended at 6:05pm.

A handwritten signature in black ink, appearing to read 'Robert Bailey', with a long horizontal line extending from the end of the signature.

Bob Bailey. Town Clerk. Morecambe Town Council.
clerk@morecambe.gov.uk

MORECAMBE TOWN COUNCIL

Social Media and Electronic Communication Policy

The use of digital and social media and electronic communication enables the Town Council to interact in a way that improves the communications both within the Council and between the Council and the people, businesses and agencies it works with and serves.

The Council has a website, Facebook page and Twitter account and uses email to communicate. The Council will always try to use the most effective channel for its communications. Over time the Council may add to the channels of communication that it uses as it seeks to improve and expand the services it delivers. When these changes occur, this Policy will be updated to reflect the new arrangements.

The Council Facebook page and Twitter account intends to provide information and updates regarding activities and opportunities within our Town and to promote our community positively.

Communications from the Council will:

- Be civil, tasteful and relevant;
- Not contain content that is knowingly unlawful, libellous, harassing, defamatory, abusive, threatening, harmful, obscene, profane, sexually oriented or racially offensive;
- Not contain content knowingly copied from elsewhere, for which we do not own the copyright;
- Not contain any personal information;
- Be moderated by the Town Clerk, the Chair/Vice Chair or a nominated Councillor where it is official Council business;
- Not be used for the dissemination of any political advertising using social media.

To ensure that all discussions on the Council page are productive, respectful and consistent with the Council's aims and objectives, we ask anyone using social media or contacting us via our website or by email to:

- Be considerate and respectful of others - vulgarity, threats or abusive language will not be tolerated;
- Differing opinions and discussion of diverse ideas are encouraged, but personal attacks on anyone, including Council Members or staff, will not be permitted;

MORECAMBE TOWN COUNCIL

- Share freely official Council posts, but be aware of copyright laws, be accurate and give credit where credit is due;
- Stay on topic;
- Refrain from using the Council's Facebook page or Twitter site for commercial purposes or to advertise market or sell products.

The site is not monitored 24/7 and we will not always be able to reply individually to all messages or comments received. We will, however, endeavour to ensure that any emerging themes or helpful suggestions are passed to the relevant people or authorities. Please do not include personal / private information in your social media posts to us.

Sending a message / post via Facebook or Twitter will not be considered as contacting the Council for official purposes and we will not be obliged to monitor or respond to requests for information through these channels. Instead, please make direct contact with the council's Town Clerk and/or Members of the council by email, telephone or letter.

We retain the right to remove comments or content that includes:

- Obscene or racist content;
- Personal attacks, insults, or threatening language;
- Potentially libellous statements;
- Plagiarised material; any material in violation of any laws, including copyright;
- Private, personal information published without consent;
- Information or links unrelated to the content of the forum/theme under discussion;
- Commercial promotions or spam;
- Allegations of a breach of a Council's policy or the law

The Council's response to any communication received that does not meet the above criteria will be to either ignore, inform the sender of our policy or send a brief response as appropriate. This will be at the Council's discretion based on the message received and given our limited resources available.

Any information posted on the Facebook page, or Twitter, not in line with the above criteria will be removed as quickly as practically possible. Repeat offenders will be blocked. The Council may post a statement that ***'A post breaching the Council's Social Media Policy has been removed'***. If the post alleges a breach of a Council's policy or the law the person who posted it will be asked to submit a formal complaint to the Council or report the matter to the Police as soon as possible to allow due process.

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Website

Where necessary, we may direct those contacting us to our website to see the required information, or we may forward their question to one of our Councillors for consideration and response. We may not respond to every comment we receive particularly if we are experiencing a heavy workload.

The Council may, at its discretion, allow and enable approved local groups to have and maintain a presence on our website for presenting information about the group's activities. The local group will be responsible for maintaining the content and ensuring that it meets the Council's expectations for the website. The Council reserves the right to remove any or all of a local group's information from the website if it feels that the content does not meet these expectations. Where content on the website is maintained by a local group it will be clearly marked that such content is not the direct responsibility of the Council.

Town Council Email

The Town Clerk has his own council email address (clerk@morecambe.gov.uk). The email account is monitored mainly during office hours and we aim to reply to all questions sent as soon as we can. An *'out of office'* message will be used when appropriate.

The Town Clerk is responsible for dealing with email received and passing on any relevant mail to Councillors or external agencies for information and/or action. All communications on behalf of the Council will usually come from the Town Clerk, and/or otherwise will be copied to the Town Clerk. All new emails requiring data to be passed on, will be followed up with a Data Consent Form for completion before action is taken with that correspondence.

Individual Councillors are at liberty to communicate directly with residents expressing their personal views, but it must be made clear that they are not then acting on the Council's behalf. Any emails copied to the Town Clerk become official and will be subject to the

Freedom of Information Act.

SMS (texting)

Councillors and the Town Clerk may use SMS as a convenient way to communicate at times – this policy will apply to such messages.

Video Conferencing

If this medium is used to communicate, this policy will also apply.

MORECAMBE TOWN COUNCIL

Internal communication and access to information within the Council

The Council is continually looking at ways to improve its working and the use of social media and electronic communications is a major factor in delivering improvement.

Councillors are expected to abide by the Code of Conduct and the Data Protection

Act in all their work on behalf of the Council

As more and more information becomes available electronically it is vital that all information is treated sensitively and securely. Councillors are expected to maintain an awareness of the confidentiality of information that they have access to and not to share confidential information with anyone as set out in the Council's **Information and Data Protection Policy**.

Failure to properly observe confidentiality may be seen as a breach of the Council's Code of Conduct and will be dealt with through its prescribed procedures.