



MORECAMBE TOWN COUNCIL

Draft Minutes of Finance & Governance Committee held at Morecambe Town Hall on 17th February 2020 at 5.00pm

In attendance: Councillors M Balcer; D Jenkins; M Evans; J Hanson; C Matthews, P. Ross-Clasper.

1. **Apologies for Absence:** Apologies were received from Councillor Anderton, Bates, Heath and Pilling
2. **Declarations of Interest:** Members were asked to declare any interests, and the nature of that interest, which they may have in any of the items under consideration at this meeting. There were no interests declared.
3. **Election of Chairman and Vice-Chairman:** Councillors Evans and Hanson were nominated and unanimously elected as Chairman and Vice-Chairman of the Committee
4. **Public Participation:** No members of the public were present at the meeting
5. **Terms of Reference:** Members discussed the draft terms of reference for the Finance and Governance Committee and the proposed sub-committees for Resources Management and Festivals and Events. It was suggested that the sub-committees be made up of seven Members on each.

After some questions and discussion about the relative functions of each committee it was **RESOLVED** that the draft terms of reference be approved, and that Council Members be invited to join to sub-committees.

6. **Summary Report:** The Town Clerk presented a *Summary Report* of receipts and payments as at 15th February 2020. It was explained that for each budget heading for both receipts and payments the report sets out *Actual* against *Budgeted* amounts and the *Variance* (+ or -).

In addition, to this report, the Town Clerk will produce a *Payments List* for consideration by the committee and subsequent recommendation for payment to the full Town Council.

After some discussion and questions, it was **RESOLVED** that the Finance and Governance Committee monitors the Council's budget at the end of each

quarterly through consideration of the *Summary Report* and that payments be considered monthly for recommendation to full Council.

7. **Financial Management:** It was noted that the quarterly monitoring of the Council's budget through the *Summary Report* will help to ensure that informed decisions are made, and early intervention taken to address any issues.

There followed a lengthy discussion about the budget planning process and it was agreed that, alongside the quarterly monitoring, improvements need to be made to ensure that the budget planning for the following financial year commences around October of the previous year to allow adequate time for the Finance and Governance Committee to consider future plans and develop and recommend to the full Town Council in December or January a draft budget and proposed precept.

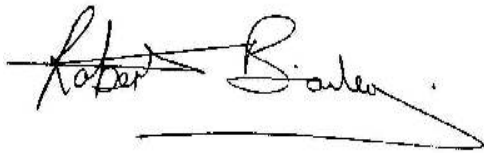
It was suggested that the 2020/21 budget approved in the February meeting of full Council be reconsidered by the Finance and Governance with any further recommendations being made to the Town Council. It was noted that in line with Standing Order 11 any reversal of the Town Council's resolution would have to be by a *'motion moved in pursuance of the report or recommendation of a committee'*.

It was then **RESOLVED** that the Finance and Governance Committee reviews 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. It was further **RESOLVED** that through improved financial reporting and monitoring the Finance and Governance Committee reviews in detail the 2020/21 budget with any recommended amendments being made in line with Standing Orders.

8. **Governance and Internal Control:** The Town Clerk produced a paper setting out the arrangements for the proper administration of the Council's financial affairs as required by Regulation 5(1) of the Accounts and Audit Regulations 2015, including a requirement that the Council '*undertakes an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance*'. The paper also set out that the internal audit must provide an '*independent, objective assurance designed to improve the Council's operations*'. In order to meet these legal requirements, the Town Clerk had set out ten objectives that any appointed internal auditor would be expected to achieve. The Town Clerk also briefly explained the requirements of the Accounts and Audit Regulations regarding consideration and approval by the Town Council of the *Annual Governance and Accountability Return (AGAR)* by 30th June and its publication along with the internal and external audit reports by 30th September. The Town Clerk was thanked for his comprehensive report and after several questions and discussion it was **RESOLVED** that the Town Council be recommended to approve the audit control objectives as set out and that these form the basis of a specification for the appointment of an internal auditor. It was further **RESOLVED** that the Town Clerk be requested to seek up to three quotations for internal audit services in 2020/21.
- Members then discussed whether the exempt item in the Extraordinary Meeting of the Town Council held on Friday 17th January 2020 around the Town Council's responsibility for governance, accountability and internal control should now be available to the public. In line with the Information Commissioner's office definition.
- There followed a discussion on the content of the Extraordinary Minutes and the requirement for the Town Council to comply with standards of openness and transparency in the public interest.

It was then **RESOLVED** that the Finance and Governance Committee recommends that the Town Council approves the publication of the Extraordinary Meeting held on 17th January 2020.

9. **Date of next meeting:** Given the positive impetus that the establishment of a Finance and Governance Committee had generated in its first meeting, it was **RESOLVED** that the committee meets again on Thursday 27th February at 5pm. The meeting closed at 6:15pm.

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

Bob Bailey, Town Clerk

21st February 2020