

Minutes of the Meeting of the **FINANCE AND PERFORMANCE MANAGEMENT COMMITTEE** held at the Town Hall, Swanage on **MONDAY, 14th FEBRUARY 2011** at 9.30 a.m.

PRESENT:- Councillor W.S. Trite (Town Mayor) – Chairman.

Councillor L. Gloyn-Cox
Councillor Mrs A. Patrick
Councillor S. Poultney (from 9.40 a.m.)
Councillor M.W. Pratt

Also in attendance:-

Mr H. Lovegrove Internal Auditor

Public Participation Time

There was one member of the public present at the meeting.

MR. IAN BROWN highlighted some of the proposed cuts to the coastguard service, and reported that there would be a period of public consultation in respect of the proposals ending on 24th March 2011. Further information could be obtained, and comments recorded on www.mcga.gov.uk. A public meeting was also scheduled to be held at Weymouth on 8th March 2011. The retention of the coastguard service in Swanage was considered to be of paramount importance, and it was agreed that the matter be included on the Agenda of the next Council Meeting to enable full discussion of the proposals and a formal response to be formulated.

1. **APOLOGIES**

An apology for his inability to attend the Meeting was received from Councillor Suttle.

2. **INTERIM INTERNAL AUDIT REPORTS 2010/11**

Mr. Henry Lovegrove, the Council's Internal Auditor, presented internal audit reports for 2010/11, and provided background information and explanations regarding the recommendations and conclusions in respect of the following:-

- (a) Allotment income.
- (b) Beach Gardens.
- (c) Boat Park.
- (d) Car Parks Income.
- (e) Cemeteries.
- (f) Sundry Debtors.
- (g) Market Income.
- (h) Payments (incorporating Ordering, Routine Payments and Urgent Payments).
- (i) Payroll.
- (j) Petty Cash.
- (k) Risk Management.
- (l) Miscellaneous Cash Income.
- (m) Rent Income.
- (n) Stocks and Stores.

Arising from the above, Members were pleased to note that no significant control weaknesses had been identified and that the audit objectives had been fully, or

substantially met. Some issues relating to the operation of the market were highlighted and it was noted that these would be addressed during the 2011/12 financial year. Attention was also drawn to the sundry debtors, which included outstanding invoices relating to the Holiday Park.

It was AGREED:-

That this matter be deferred for consideration at the next meeting of the Finance and Performance Management Committee to be held on 11th April 2011.

3. **APPOINTMENT OF INTERNAL AUDITOR 2011/12**

It was agreed that, under Standing Orders Nos. 67 and 68, due to the confidential nature of the business to be transacted, the appointment of the internal auditor for 2011/12 be considered later in the Meeting.

4. **TOWN COUNCIL'S MANAGEMENT ACCOUNTS**

The Council's Management Accounts for the period ending 31st December 2010 were presented for information, and the position was noted.

5. **REVISION AND CONSOLIDATION OF THE ACCOUNTS AND AUDIT REGULATIONS 2003**

Consideration was given to a document submitted from the Audit and Accounts Adviser to NALC, summarising the revision and consolidation of the Accounts and Audit Regulations 2003 as amended, and the effect that the Department for Communities and Local Government proposals would have on the preparation of the Town Council's accounts.

Although classed as a technical consultation with the representative bodies (including NALC and SLCC) – closing date 4th March 2011, interested parties were invited to submit their views on the proposals through NALC.

During the ensuing discussion, it was noted that under the new proposals, the Town Council would be defined as a 'smaller relevant body' and would therefore have the option to elect to prepare for external audit, either an annual return in accordance with proper practices, or a full set of accounts under Part 4 of proper practices (the Local Council FRSSE rules).

After due consideration, Members agreed to the principal of publishing an Annual Return, but considered that it would be prudent to continue with the internal controls required under the FRSSE rules.

It was proposed by Councillor Poultney, seconded by Councillor Gloyn-Cox, and RESOLVED:-

That the Town Clerk prepares an appropriate response for submission to NALC, for approval by the Town Mayor and Deputy Mayor.

6. **ITEMS OF INFORMATION AND MATTERS FOR FORTHCOMING AGENDAS**

There were no additional matters to report at the present time.

7. **DATE OF NEXT MEETING**

It was agreed that the next meeting of the Finance and Performance Management Committee would be held on Monday, 11th April 2011 at 9.30 a.m.

8. **EXCLUSION OF PRESS AND PUBLIC**

Proposed by Councillor Poultney, seconded by Councillor Mrs. Patrick, and RESOLVED UNANIMOUSLY:-

That, under Standing Orders Nos. 67 and 68, by reason of the confidential nature of the business to

be transacted, it is advisable in the public interest that the press and public be excluded from the Meeting during consideration of the following matters.

9. **APPOINTMENT OF INTERNAL AUDITOR 2011/12**

A letter dated 31st January 2011 was submitted from Mr. Henry Lovegrove, the Council's Internal Auditor, outlining a strategic audit plan and including an estimate for the provision of these services for 2011/12. He anticipated that, due to the disposal of the Holiday Park and the adherence to internal controls and audit recommendations, less work would be required in 2011/12, and this was reflected in his estimate for the provision of services.

Mr. Lovegrove left the meeting at 10.20 a.m.

Following scrutiny of Mr. Lovegrove's audit plan and terms of engagement, it was proposed by Councillor Gloyn-Cox, seconded by Councillor Mrs. Patrick, and RESOLVED UNANIMOUSLY:-

That Mr. Henry Lovegrove be appointed as the Town Council's Internal Auditor for the year 2011/12.

In agreeing the appointment, it was suggested that meaningful discussions be held with Mr. Lovegrove regarding an alternative provider to review the system of internal control at a future time.

The meeting concluded at 10.30 a.m.
